



## Poor Japan GDP figures, renewed sovereign debt worries

Eurozone CPI and Empire Manufacturing are the ones to watch Monday. New orders for the latter showed the expansion is growing at a slower rate last month, but consensus is still for an overall increase in activity in New York. In the US, department stores Kohl's and JC Penney have both lowered their profit forecasts as back-to-school shopping is off to a sluggish start meaning that as consumers wait for companies to lower their prices.

Solid Eurozone and German GDP growth of 1.0% and 2.2% QoQ, respectively, combined with in line US data was not enough to keep stocks from failing. The Eurozone GDP report shows a gap between northern and southern members. Japan grew a meagre 0.1% QoQ in the 2Q from 1.1% in 1Q. Domestic demand declined 0.2%; that is a concern considering the strong JPY of late.

Commodity	Price	1 Day Change
Brent Crude	75.42	0.41%
Baltic Dry	2,468.00	1.27%
Gold	1,224.60	0.79%
Copper	7,156.00	-1.36%
Silver	18.24	0.51%
Dollar Index	82.61	-0.37%

Currency	Price	1 Day Change
Eur / Usd	1.2817	0.49%
Eur / Gbp	0.82195	-0.49%
Eur / Yen	109.89	0.03%
Gbp / Usd	1.5593	0.01%
Usd / Yen	85.75	0.52%

Stock Index	Latest	1 Day Change
ISEQ	2,807	-0.62%
FTSE 100	5,269	-0.13%
NIKKEI 225	9,197	-0.61%
DOW JONES	10,303	-0.16%
S&P 500	1,079	-0.40%
NASDAQ	2,173	-0.77%
CAC 40	3,579	-0.89%
DAX 30	6,117	0.10%
EUROSTOXX	2,684	-0.92%

10 Year Benchmark	Yield %	1 Day Change
United States	2.65	-0.94%
United Kingdom	3.08	-1.44%
Germany	2.36	-1.46%
Japan	0.96	-3.54%
Ireland	5.39	1.15%

## European Sovereign Debt Story Continues

German 10-year government bond yields fell to a record low as deepening concern that global growth is faltering boosted demand for fixed-income assets.

Two-year yields reached the lowest in more than a month after data showed Japan's economy grew at less than a fifth of the pace economists estimated last quarter.

Looking to the week ahead, it is a busy week for UK data watchers. Tomorrow's CPI report will provide an update on UK inflation pressures, which are expected to ease fractionally from 3.2% in June to 3.1% in July. Then on Wednesday we get the minutes of the August meeting of the Bank of England's Monetary Policy Committee where the interest will lie in the extent to which the Committee may have leaned in the direction of easier policy given the projection for sub-target inflation in last week's Inflation Report. Thursday sees the release of July retail sales numbers.

Beyond the UK, international investors will be paying close attention to measures of confidence and activity for August in the US and euro zone. First up on this front is today's reading of the Empire index of New York manufacturing, followed on Thursday by the Philly Fed index – regional indicators which will provide an early but very important steer on how the US economy is faring mid-way through the third quarter. In Europe, similar themes will be at play in terms of how analysts interpret the August reading of the German ZEW index of economic sentiment.

## Top 5 Open Positions

Ticker	Stock	Price	BID now	Gain/Loss
AZN	AstraZeneca Plc	2760	3299	+19.53%
LGF	Lions Gate	5.59	6.35	+13.60%
EMC	EMC Corp	16.83	18.76	+11.47%
QQQ	Nasdaq Trust ETF	42.6	44.69	+4.91%
SKG	Smurfit Kappa	7.27	7.56	+3.80%

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