



News: Equity markets drive through 200 day moving average. VIX drops

The S&P 500 broke and closed above the 200 DMA which on a technical basis signals a move to next resistance at 1150 (+4.5%). We see this move completing by the end of June or early July. This also coincides with the beginning of the Q2 earnings season which is expected to be strong. All risk indicators show that appetite for 'risky' assets has returned. This is compounded by a heavy drop in the VIX (volatility index), which is now trading back at normal levels.

Commodity	Price	1 Day Change
Brent Crude	74.68	-0.81%
Baltic Dry	3,423.00	-2.59%
Gold	1,219.70	-0.11%
Copper	6,410.00	1.10%
Silver	18.31	0.33%
Dollar Index	87.24	0.08%

Currency	Price	1 Day Change
Eur / Usd	1.21	-0.20%
Eur / Gbp	0.8246	-0.07%
Eur / Yen	110.81	-0.08%
Gbp / Usd	1.4673	-0.29%
Usd / Yen	91.58	-0.26%

Stock Index	Latest	1 Day Change
ISEQ	3,050	-0.67%
FTSE 100	5,146	0.26%
NIKKEI 225	9,705	1.70%
DOW JONES	10,173	2.76%
S&P 500	1,087	2.95%
NASDAQ	2,219	2.77%
CAC 40	3,526	0.28%
DAX 30	6,056	-0.02%
EUROSTOXX	2,618	0.34%

10 Year Benchmark	Yield %	1 Day Change
United States	3.29	-0.89%
United Kingdom	3.55	-0.20%
Germany	2.62	0.50%
Japan	1.24	2.40%
Ireland	5.11	0.16%

BUY: SPDR TECHNOLOGY ETF (XLK) \$22.5 Target \$24.15

As equity markets signal positive sentiment and an appetite for risk. We go back to our core views.

The technology sector remains one of our main portfolio buys and we believe that a mix of portfolio re-weightings to equities and the Q2 earnings season will be strong catalysts to a move higher for technology stocks.

The Q2 earnings season is expected to be strong. Such expectations will move stocks higher as investors position themselves to gain from positive reports.

We have seen this pattern over the last two quarters, especially in the tech sector. Historically the names within this ETF move up strongly to the release of earnings numbers and then sell off on profit taking. We therefore recommend buying the ETF at today's levels and reassessing the trade in early/mid July.



The SPDR Select Sector ETF seeks to closely match the returns and characteristics of the Technology Select Sector Index. The index top holdings are: Apple, Microsoft, IBM, AT&T, Cisco, Google, Intel and Hewlett Packard. By investing in this ETF you are gaining exposure these cash rich, blue chip names as well as taking out an element of single stock risk.

Top 5 Open Positions

Ticker	Stock	Price	BID now	Gain/Loss
LGF	Lions Gate	5.59	6.99	+25.0%
EMC	EMC Corp	16.83	19.14	+13.7%
AZN	AstraZeneca Plc	2760	3079	+11.6%
QQQ	Nasdaq Trust ETF	42.6	46.71	+9.6%
DNDN	Dendreon	39.14	40.59	+3.7%

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