

News: US Equities sell-off on revenue reports and confidence reading

Drop in revenues at both Bank of America and General Electric combined with a disappointing University of Michigan Confidence number (66.5 vs 76 prior) sent US equities lower. There are no major macroeconomic numbers out today, focus remains on earnings reports from Daimler, IBM and Halliburton. The pattern so far is a 'beat' on earnings per share but a 'miss' on revenues expectations. This morning Moody's downgraded Ireland's debt one notch to Aa2 from Aa1. However the rating agency has moderated its outlook for Ireland from negative to stable. The week's focus will be on the result of European bank stress tests, to be published Friday.

Commodity	Price	1 Day Change
Brent Crude	72.53	0.26%
Baltic Dry	2,351.00	-2.29%
Gold	1,211.60	0.44%
Copper	6,330.00	-2.84%
Silver	18.06	-2.98%
Dollar Index	84.64	-0.08%

Currency	Price	1 Day Change
Eur / Usd	1.2506	1.38%
Eur / Gbp	0.81982	-1.31%
Eur / Yen	109.97	-0.21%
Gbp / Usd	1.5205	1.56%
Usd / Yen	87.92	0.40%

Stock Index	Latest	1 Day Change
ISEQ	2,833	1.30%
FTSE 100	4,829	0.48%
NIKKEI 225	9,204	0.13%
DOW JONES	9,733	-0.42%
S&P 500	1,044	0.24%
NASDAQ	2,101	-0.37%
CAC 40	3,347	0.21%
DAX 30	5,875	0.30%
EUROSTOXX	2,528	0.36%

10 Year Benchmark	Yield %	1 Day Change
United States	2.93	-0.56%
United Kingdom	3.33	0.33%
Germany	2.57	0.27%
Japan	1.11	3.56%
Ireland	5.41	-1.13%

Portfolio Strategy: Start of earnings season disappoints

Despite headline earnings per share reports coming in better than analyst expectations revenue numbers have in each case fallen short.

This tied in with poor sentiment and consumer confidence readings has left equities falling short of resistance levels. Friday's sell off from 1100 levels that level as firm resistance and investors go into this week nervous.



Equity markets are generally slightly better this morning +0.5%, but we are all too aware of the volatility in the market and would consider that Friday's sell off from resistance levels could herald a further short term negative move.

With this in mind we see hedging or de-risking portfolios as a prudent move in the short term. To hedge positions there are a number of options including selling the S&P500 via CFD or buy using an ETF.

Top 5 Open Positions

Ticker	Stock	Price	BID now	Gain/Loss
EMC	EMC Corp	16.83	20.15	+19.7%
AZN	AstraZeneca Plc	2760	3231	+17.1%
LGF	Lions Gate	5.59	6.1	+9.1%
QQQ	Nasdaq Trust ETF	42.6	44.34	+4.1%
BAC	Bank of America	15.77	15.799	+0.2%

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