

**Quiet Friday Sees Little Market Movement**

With little in the way of announcements to move the market on Friday a quiet day was to be expected, and indeed this is how it turned out. With the negatives job number from the US announced on Thursday we experienced a sell-off from that point which trickled into Friday's trading. Equity markets were down on the day as gains from the week leading up to Wednesday were erased and the S&P was down 0.37% on Friday's trading to close at 1071.7.

The main story in the news today is the Australian general election and the deadlock that has ensued. From the markets point of view the result of this is good news for the Australian mining industry as Prime Minister Julia Gillard's proposed mining tax looks less likely to be introduced.

Commodity	Price	1 Day Change
Brent Crude	74.52	0.35%
Baltic Dry	2,756.00	4.24%
Gold	1,226.60	-0.05%
Copper	7,255.00	-0.68%
Silver	18.01	0.04%
Dollar Index	83.02	-0.04%

Currency	Price	1 Day Change
Eur / Usd	1.2703	-0.07%
Eur / Gbp	0.81745	0.10%
Eur / Yen	108.43	0.37%
Gbp / Usd	1.554	0.04%
Usd / Yen	85.36	0.30%

Stock Index	Latest	1 Day Change
ISEQ	2,802	1.66%
FTSE 100	5,234	0.74%
NIKKEI 225	9,117	-0.68%
DOW JONES	10,214	-0.56%
S&P 500	1,072	-0.37%
NASDAQ	2,180	0.04%
CAC 40	3,553	0.77%
DAX 30	6,032	0.45%
EUROSTOXX	2,661	0.63%

10 Year Benchmark	Yield %	1 Day Change
United States	2.60	-0.48%
United Kingdom	2.97	-0.17%
Germany	2.29	0.84%
Japan	0.95	1.07%
Ireland	5.35	0.81%

**BHP/Potash Deal Story Attracts New Suitors**

The big M&A story causing a stir right now is the potential takeover of Potash, the Canadian fertilizer group. With BHP having made an offer \$130 a share for the group, it was deemed to be insufficient by Potash shareholders. The result of this has been to attract interest from other parties, with Sinochem Group and Vale being two rumoured interested parties as a potential bidding war for the group may be on the cards. This will certainly put Potash Group on the watchlist of many potential investors as price movement on the stock is likely at this point. Elsewhere HSBC has announced it will buy up to 70% of Nedbank in a potential \$6.8 billion deal. An increase in M&A news has proven to be a decent support provider to the equity markets and one which the bulls of the market will point to.

On the bearish side of things it's reported that Treasury note yields are near record lows as investors are seeking refuge in safe investments. However, this is potentially a signal that investors are being too pessimistic about an investment in a risky asset as a potential bond bubble is looming.

The main announcement coming out of the US today will be the Chicago Fed National Activity Index but it's doubtful that anything from that will prove to move the market in any meaningful way. The next announcement that may prove to be a catalyst for the markets will be the US home sales number released tomorrow. With poor numbers from its last report, negative sentiment is already considered and priced into the market.

With the low volume of trading taking place at the moment it suggests that the big market players are still sitting on the sidelines. Investors are trading water and this could carry on for some time yet as traders are probably better served relaxing as the summer winds down.

**Top 5 Open Positions**

Ticker	Stock	Price	BID now	Gain/Loss
AZN	AstraZeneca Plc	2760	3268.5	+18.42%
LGF	Lions Gate	5.59	6.41	+14.67%
EMC	EMC Corp	16.83	18.69	+11.05%
QQQ	Nasdaq Trust ETF	42.6	45.15	+6.0%
SKG	Smurfit Kappa	7.27	7.20	-1.0%

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