

News: US Home Sales Disappoints with Weak Data Continuing.

The recent trend of poor US macro economic data continued with both existing and new US home sales numbers reported at near record lows. With existing sales down 27% and new sales down 12.4% the signs of an economic recovery are not visible at present. In fact, even against modest expectations in an already pessimistic environment the releases were much worse than most analysts predicted.

In Irish news, NTMA chiefs have responded to the S&P's decision to downgrade Ireland's credit rating from AA to AA-. Bank shares were initially hit but ended the day in positive territory after extensive criticism of the S&P's review methods to reach this downgrade decision. Also, despite the earnings warning from CRH it has proved to be a reasonably positive quarter for Irish companies with Paddy Power in particular reporting excellent earnings.

Commodity	Price	1 Day Change
Brent Crude	73.40	-0.11%
Baltic Dry	2,773.00	-3.08%
Gold	1,240.10	0.08%
Copper	7,101.00	-0.50%
Silver	19.02	0.59%
Dollar Index	82.98	-0.33%

Currency	Price	1 Day Change
Eur / Usd	1.2709	0.40%
Eur / Gbp	0.81605	0.35%
Eur / Yen	107.65	-0.56%
Gbp / Usd	1.5574	0.75%
Usd / Yen	84.70	-0.14%

Stock Index	Latest	1 Day Change
ISEQ	2,636	0.60%
FTSE 100	5,109	-0.90%
NIKKEI 225	8,906	0.69%
DOW JONES	10,060	0.20%
S&P 500	1,055	0.33%
NASDAQ	2,142	0.84%
CAC 40	3,450	-1.17%
DAX 30	5,900	-0.61%
EUROSTOXX	2,587	-1.04%

10 Year Benchmark	Yield %	1 Day Change
United States	2.51	-0.84%
United Kingdom	2.84	-1.25%
Germany	2.16	0.56%
Japan	0.94	3.62%
Ireland	5.60	0.38%

Portfolio view: Jobs Thursday as Bernanke Speech Awaited

Yesterday brought more disappointing macro numbers from the US. New home sales dropped much more sharply than consensus expectations in July, and durable goods orders slumped too, wiping out most of the gains of the preceding two months. In spite of these figures the S&P was up on the day to close at 1055.

The main event on the macro calendar today is the latest weekly US Jobless claims report (13:30 GMT). In the past few weeks initial claims have increased, reaching the 500k mark last Thursday, a level last seen in November 2009. This reflects a marked deterioration and bodes ill for the labour market report next week. Analyst's expectations are of a figure around 490K, and with heightened concerns about a 'double-dip' recession on the back of poor US macro data in the last couple of weeks, this will be a more than usually important announcement.

Many commentators have suggested that continued bad news may actually rally the equity market. The theory behind this is that more bad news will lead to increased pressure on the Fed to act and put some juice into the market. This is somewhat supported by the fact that the S&P was up on the day Wednesday despite such poor home sales reported.

On Friday (15:00 GMT), all eyes will be focused on Jackson Hole, Wyoming as Fed Chairman Bernanke will be speaking on the economic outlook for the US. Whilst it's unlikely he will specifically spell out his plan, he may well allude to further federal plans to stimulate the tepid present conditions. All this will be going on whilst US Q2 GDP is expected to be revised to 1.2% annualized growth, versus 2.4% reported upon initial release. This certainly points to a contraction of the US economy which may well require a federal response.

Top 5 Open Positions

Ticker	Stock	Price	BID now	Gain/Loss
LGF	Lions Gate	5.59	6.60	+18.07%
AZN	AstraZeneca Plc	2760	3230	+17.03%
EMC	EMC Corp	16.83	18.12	+7.66%
QQQ	Nasdaq Trust ETF	42.6	44.07	+3.4%
SKG	Smurfit Kappa	7.27	6.72	-7.5%

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