



## News: Earnings season catalyst coming to an end

Yesterday saw an element of profit taking as the Q2 earnings season comes to an end. US weekly jobless claims came in line with expectations but had little impact on market direction. Comments from Fed member Bullard said action may have to be taken to avoid a Japanese style scenario, sending equities lower. Later, comments from another FED member Fisher eased concerns saying he didn't see deflation in the system. Oil company earnings stood out positively yesterday, reiterated by Total this morning. US GDP this afternoon will likely be the market mover today.

Commodity	Price	1 Day Change
Brent Crude	77.17	-0.54%
Baltic Dry	1,942.00	2.16%
Gold	1,160.40	0.21%
Copper	7,230.50	0.84%
Silver	17.58	-0.10%
Dollar Index	81.65	0.03%

Commodity	Price	1 Day Change
Eur / Usd	1.3028	-0.39%
Eur / Gbp	0.83358	0.49%
Eur / Yen	112.45	0.94%
Gbp / Usd	1.5629	0.10%
Usd / Yen	86.31	0.56%

Stock Index	Latest	1 Day Change
ISEQ	2,896	-0.51%
FTSE 100	5,287	-0.50%
NIKKEI 225	9,537	-1.64%
DOW JONES	10,467	-0.29%
S&P 500	1,102	-0.42%
NASDAQ	2,252	-0.57%
CAC 40	3,641	-0.29%
DAX 30	6,108	-0.43%
EUROSTOXX	2,743	-0.37%

10 Year Benchmark	Yield %	1 Day Change
United States	2.96	-0.68%
United Kingdom	3.37	-1.23%
Germany	2.69	-1.03%
Japan	1.07	-1.29%
Ireland	5.05	0.12%

## Strategy: Earnings season coming to an end, focus to turn macro

Earnings have once again been better than expected for the Q2 season. We expect this to be mostly priced in now. Hence macro reports will become more important again, starting with US GDP today. We have plenty of data today, but GDP is the main event. Expectations are for a solid growth of 2.6% driven by consumer spending, which also is expected to increase 2.6%.

The market is concerned that QE2 (more quantitative easing) looks more and more likely. US economic data has been weaker than expected over the last number of weeks. Regional Fed President Bullard yesterday openly called on the Fed to purchase treasuries if the economy slows. The reports for the rest of the summer will therefore be important, starting with today's GDP.

On a chart basis the pull back over the last two days may question support at 1085 in the S&P, we feel that sentiment is better than throughout the summer so far and would expect to see buying at this level. However if GDP comes in at or above expectations, look for market to test 1120 again.



## Top 5 Open Positions

Ticker	Stock	Price	BID now	Gain/Loss
LGF	Lions Gate	5.59	6.61	+18.2%
EMC	EMC Corp	16.83	19.9	+18.2%
AZN	AstraZeneca Plc	2760	3240	+17.4%
SKG	Smurfit Kappa	7.27	7.82	+7.6%
QQQ	Nasdaq Trust ETF	42.6	45.7	+7.3%

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