# Morning Note

**Friday 6/08/2010**

GlobalReach Securities

## News: Equity markets shrug off poor macro numbers

A weaker session in Europe and a poor set of macro numbers failed to increase volatility yesterday. US Same Store Sales and a worse than expected Initial jobless claims number should have dampened risk appetite and increased volatility. However despite the numbers retailers were one of the best performers with agriculture and telecom. Today the monthly US employment number is all important

| Commodity | Price | 1 Day Change |
|---|---|---|
| Brent Crude | 81.68 | 0.09% |
| Baltic Dry | 1,978.00 | 1.07% |
| Gold | 1,197.50 | 0.03% |
| Copper | 7,399.00 | -1.41% |
| Silver | 18.38 | 0.30% |
| Dollar Index | 80.77 | -0.07% |

| Currency | Price | 1 Day Change |
|---|---|---|
| Eur / Usd | 1.3187 | -0.02% |
| Eur / Gbp | 0.82998 | -0.03% |
| Eur / Yen | 113.49 | -0.26% |
| Gbp / Usd | 1.5887 | -0.06% |
| Usd / Yen | 86.07 | -0.29% |

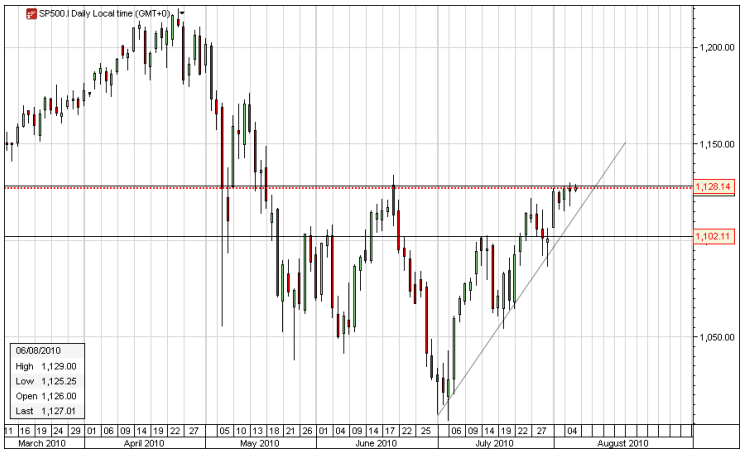
| Stock Index | Latest | 1 Day Change |
|---|---|---|
| ISEQ | 2,976 | 0.27% |
| FTSE 100 | 5,384 | 0.33% |
| NIKKEI 225 | 9,642 | -0.12% |
| DOW JONES | 10,675 | -0.05% |
| S&P 500 | 1,126 | -0.13% |
| NASDAQ | 2,293 | -0.46% |
| CAC 40 | 3,783 | 0.50% |
| DAX 30 | 6,347 | 0.21% |
| EUROSTOXX | 2,832 | 0.46% |

| 10 Year Benchmark | Yield % | 1 Day Change |
|---|---|---|
| United States | 2.91 | 0.23% |
| United Kingdom | 3.26 | 0.71% |
| Germany | 2.57 | 0.43% |
| Japan | 1.06 | 2.21% |
| Ireland | 4.96 | 0.10% |

## Strategy: Today's Non Farm Payroll Number

Yesterday's poor initial jobless claims number (which covered the last week of July) is not necessarily a reflection of today's all important report. Today's number is expected to be overall negative, consensus is -65000, but the private sector element is expected to increase 100000. However that number is still not at the level to keep up with the growing population.

This monthly number has been the catalyst for stock market moves over the last two months, May's shocking number triggered the summers 16% drop. Coincidently we find ourselves at approximately the same levels in equity markets. As such we have been testing this level of resistance for the last 5 sessions.




Generally market sentiment is positive and is shrugging off weak US macro numbers. A report in line or better than consensus expectations should be enough to break above present levels and test 1150 and 1183.

## Top 5 Open Positions

| Ticker | Stock | Price | BID now | Gain/Loss |
|---|---|---|---|---|
| EMC | EMC Corp | 16.83 | 20.46 | +22.9% |
| AZN | AstraZeneca Plc | 2760 | 3237 | +18.84% |
| LGF | Lions Gate | 5.59 | 6.56 | +18.78% |
| SKG | Smurfit Kappa | 7.27 | 8.16 | +11.42% |
| QQQ | Nasdaq Trust ETF | 42.6 | 46.48 | +9.86% |

**Disclosure Statement**

This report has been prepared by GlobalReach Securities Ltd ('GlobalReach Securities') for information purposes only to assist investors to make their own investment decisions and is not intended to and does not constitute personal recommendations nor provide the sole basis for any evaluation of the securities discussed. Specifically the information contained in this report should not be taken as an offer or solicitation of investment advice or, encourage the purchase or sale of any particular security, option, future or other derivative investment. Not all recommendations are necessarily suitable for all investors and GlobalReach Securities recommend that specific advice should always be sought prior to investment, based on the particular circumstances of The investor. This report may from time to time refer to options, futures and warrants which are highly specialised activities and entail greater than ordinary investment risk.

The information in this report has been obtained from sources, which GlobalReach Securities believes to be reliable and all reasonable efforts are made to present accurate information GlobalReach Securities give no warranty or guarantee as to, and do not accept responsibility for, the correctness, completeness, timeliness or accuracy of the information provided or its transmission. Nor shall GlobalReach Securities, or any of its employees, directors or agents, be liable either directly or indirectly for any losses, damages, costs, claims, demands or expenses of any kind whatsoever, whether direct or indirect, suffered or incurred in consequence of any use of, or reliance upon, the information.

Past performance is not necessarily a guide to future returns. The value of investments and the income from them can fall as well as rise. Investments denominated in foreign currencies are subject to fluctuations in exchange rates, which may have an adverse affect on the value of the investments, sale proceeds, and on dividend or interest income.

Any person acting on the information contained in this report does so entirely at his or her own risk. All estimates, views and opinions included in this report constitute GlobalReach Securities's judgment as of the date of the report but may be subject to change without notice. Changes to assumptions may have a material impact on any recommendations made herein.
Unless specifically indicated to the contrary this report has not been disclosed to the covered issuers(s) in advance of publication.

Investors may not necessarily recoup the full value of their original investment. Investors should be aware that forwarding looking statements and forecasts might not be realised.

This report may not be reproduced (in whole or in part) altered, transmitted or made available to any other person without the prior written permission of GlobalReach Securities.

GlobalReach Securities its employees, directors or related companies, may have a shareholding in the securities (or related investments/ derivatives) of certain companies covered in this report, or may provide/ solicit investment banking or other services to/ from them.

GlobalReach Securities Securities is regulated by the financial regulator under the European Communities Markets in Financial Instruments Directive (MIFiD) 2007.