

# Morning Note

Friday 09/07/2010



GlobalReach  
Securities

## News: Equities hold on to gains ahead of the US Q2 earnings season

Stocks rallied 0.70% from the close of the European session. Weekly employment numbers in the US were better than expectations. European bank stress tests and the impending earnings seasons dominate the headlines. Expect a quiet day today with no significant macro data releases.

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 view: US Q2 earnings season starts next week

The S&P500 is now in a 1050/1100 range and is probably looking to test the top end of the range as focus turns to the US Q3 earnings season.

The season kicks off on Monday with Alcoa with analysts having revised down estimates (especially financials) in the last couple of months. At this stage it can be argued that companies can pretty much only surprise to the upside. For example, analysts expect Goldman Sachs to generate barely half the earnings they managed in 2Q 2009.

Company	Date	Time	Estimate
Alcoa Inc	12-Jul	Aft-Mkt	0.12
Yum! Brands Inc	13-Jul	Aft-Mkt	0.541
Intel Corp	13-Jul		0.427
Marriott International	14-Jul	Aft-Mkt	0.281
JP Morgan Chase &Co	15-Jul	11:30	0.716
Advanced Micro Devices	15-Jul		0.067
Google	15-Jul		6.533
Gannett Co	16-Jul		0.535
Citigroup	16-Jul	13:00	0.054
General Electric Co	16-Jul		0.265
Bank of America Corp	16-Jul		0.222

All the names above have the potential to move equity markets. For strategy, it will be important to gauge the reaction of prices to earnings, especially in financial and technology names.

## 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	19.11	+13.5%
AZN	AstraZeneca Plc	2760	3119	+13.0%
QQQ	Nasdaq Trust ETF	42.6	43.96	+3.2%
SKG	Smurfit Kappa	7.27	7.14	-1.8%

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