

# Weekly Macro Chart Pack

## Key measures of risk

2<sup>nd</sup> July 2014

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# Overview

## Critical Focus Charts

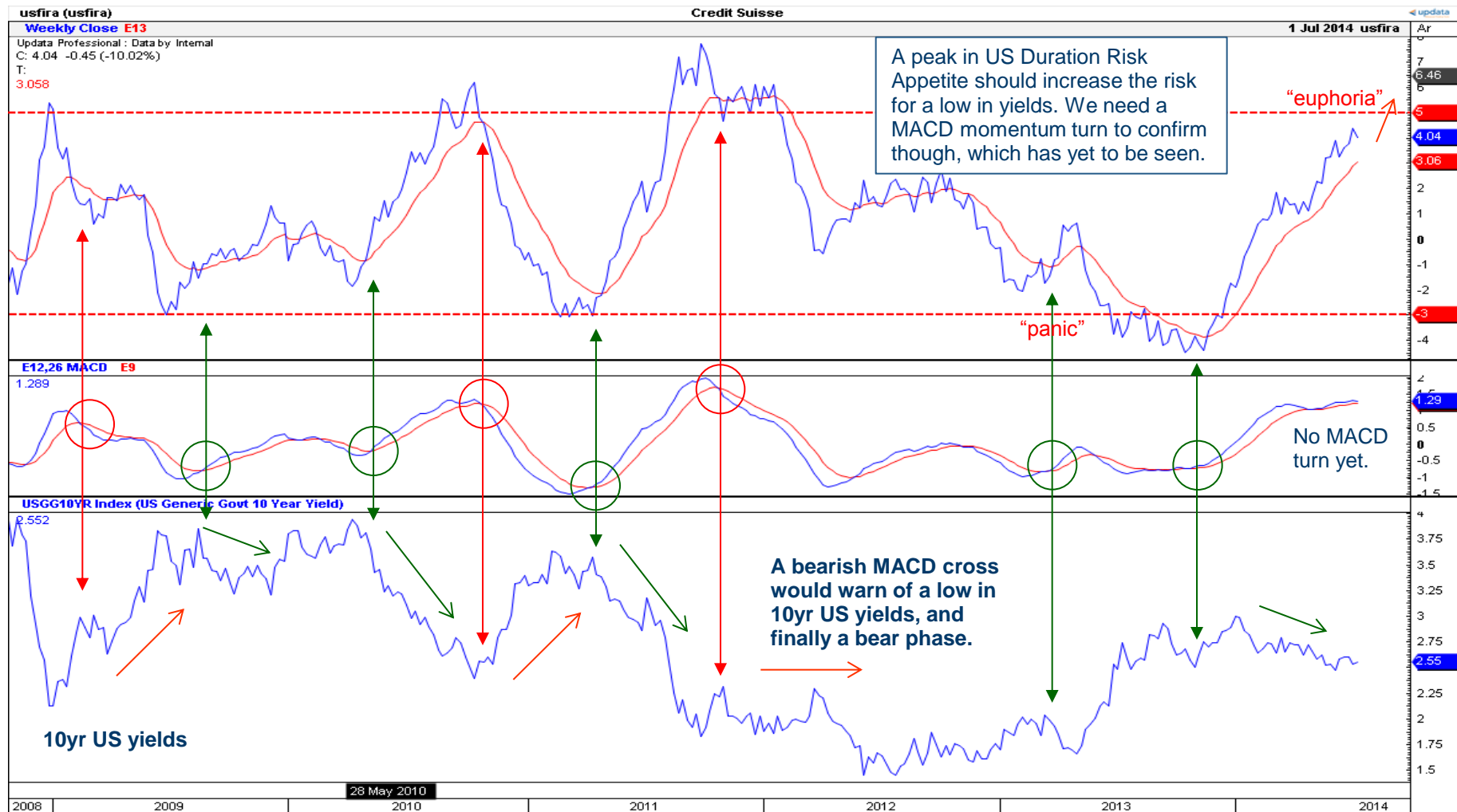
- **US Duration Risk Appetite**, a key driver of our bullish bond view, is nearly at “euphoria”, where we look for a peak.
- Suggests we are in the latter stages of the bond rally.
- **10yr Germany** is approaching our 1.20% bull target. We look for a floor in yields here.
- **EUR Volatility and Inflation** are threatening potential bases as we approach 1.20%.
- **10yr US yields** hold 2.40%, but above 2.665% remains needed for a fresh yield base.
- **5yr5yr US** risk still leans bullish for now though.
- When the turn eventually comes, we look to be short **5yr US**.
- **10yr US/Germany** widening is expected to extend to 135/144bps, but we look for a top here.
- **S&P 500** approaches the top of its medium-term trend at 1994/2024, which we look to cap.
- **Nasdaq 100** is on the cusp of our long-held 3955 bull target, which we also look to cap.
- **Europe Stoxx 600** remains capped at our 349/355 target.
- We stay bullish **GBP**.

## Other Core Themes

- **Equity Risk Appetite** maintains its “buy” signal, and we look for “risky” equities to outperform.
- **US Inflation expectations** are rising, but not enough as yet to mark a more important break higher.
- **10yr Spain** reversal risk continues to grow.
- We look for **10yr UK yields** to eventually break above 2.83%, for a move back above 3%.
- **Nikkei** is on course for a retest of its secular downtrend.
- **WTI Crude Oil** stays on course for the top of its medium-term range at \$111.30/112.24.

## Critical Focus Charts

# US Duration Risk Appetite, a key driver of our bullish bond view is virtually at “euphoria”. We look for a peak here.

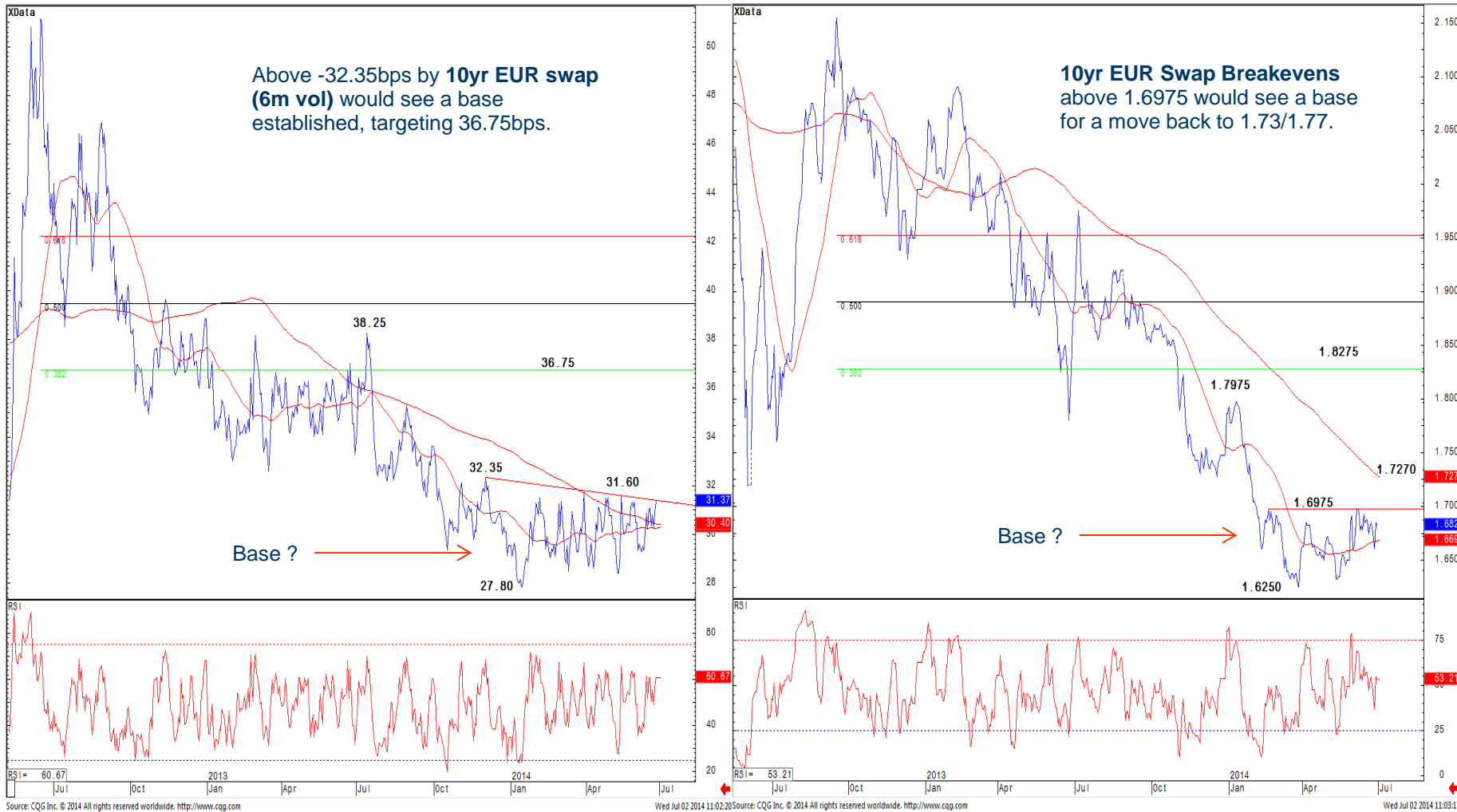


Source: Uptada, the BLOOMBERG PROFESSIONAL™ service, Credit Suisse

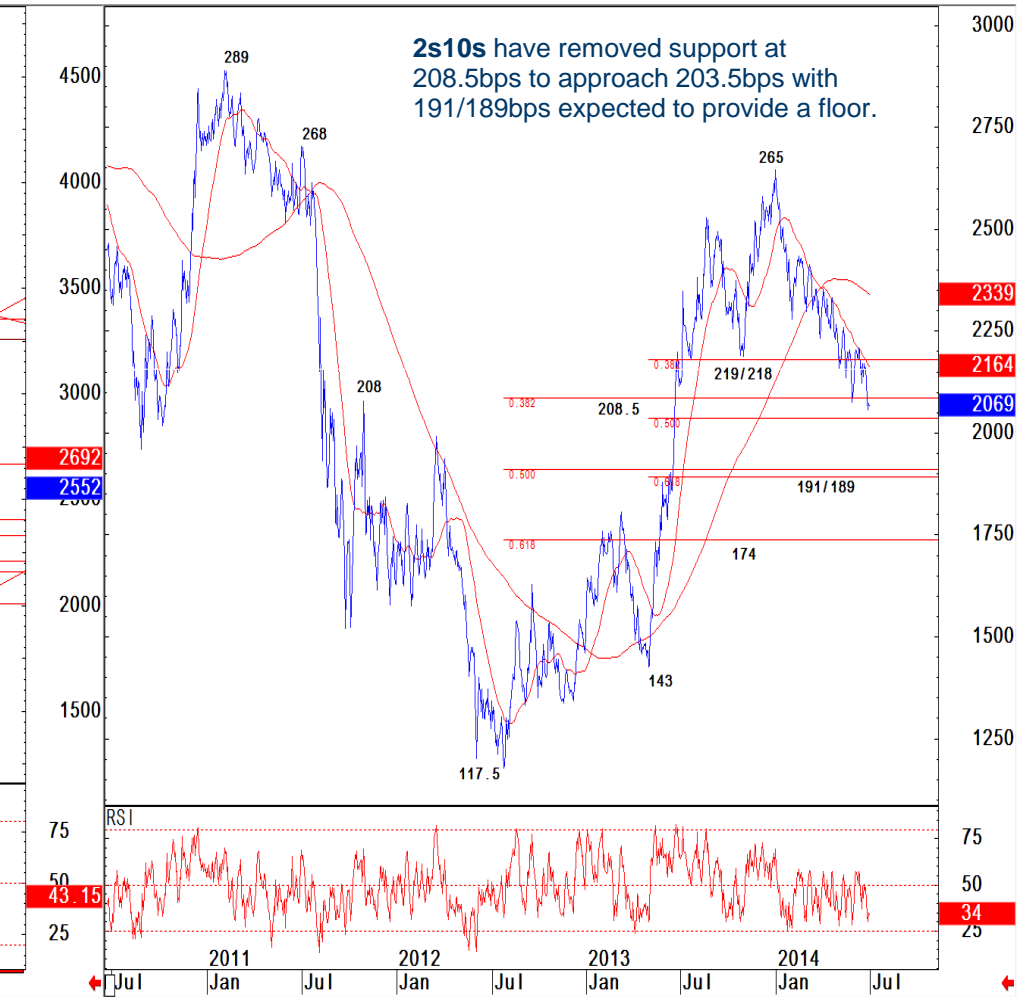
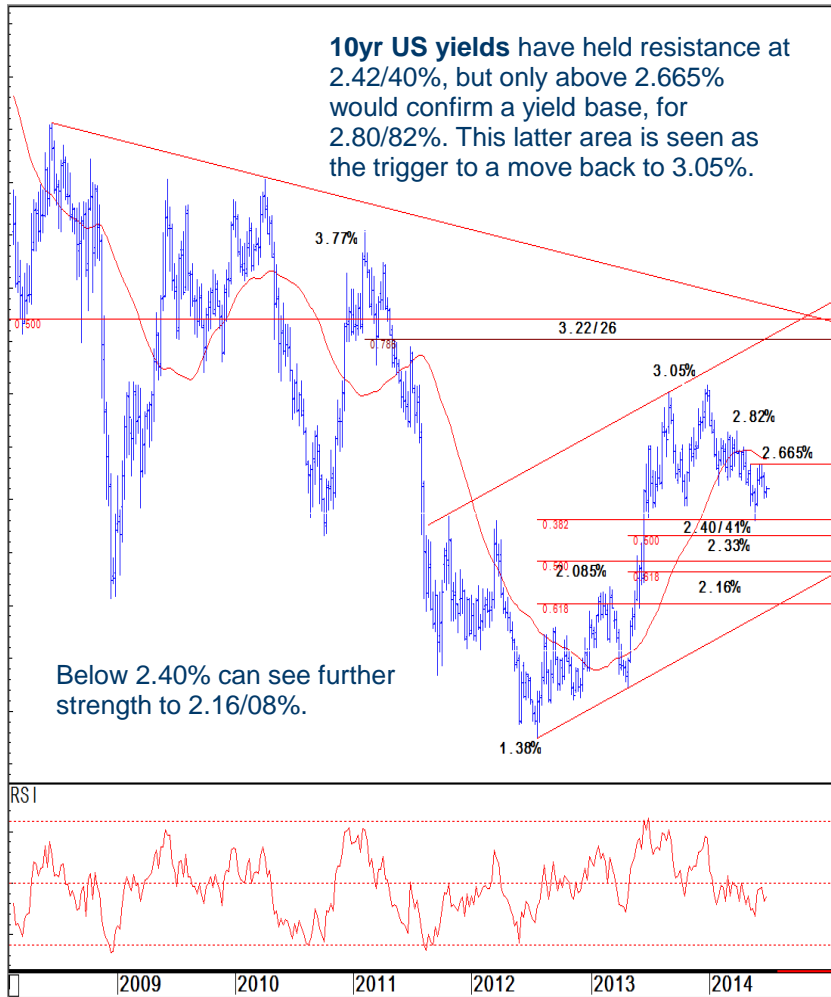
# 10yr Germany approaches our 1.20% bull target, where we look for a floor



# A low at 1.20% and a rise in Volatility and Inflation ?



10yr US yields hold 2.40%, but only above 2.665% would see a yield base; 2s10s remain under flattening pressure



Source: CQG, Credit Suisse



# 5yr5yr US has been another driver of our bullish bond view



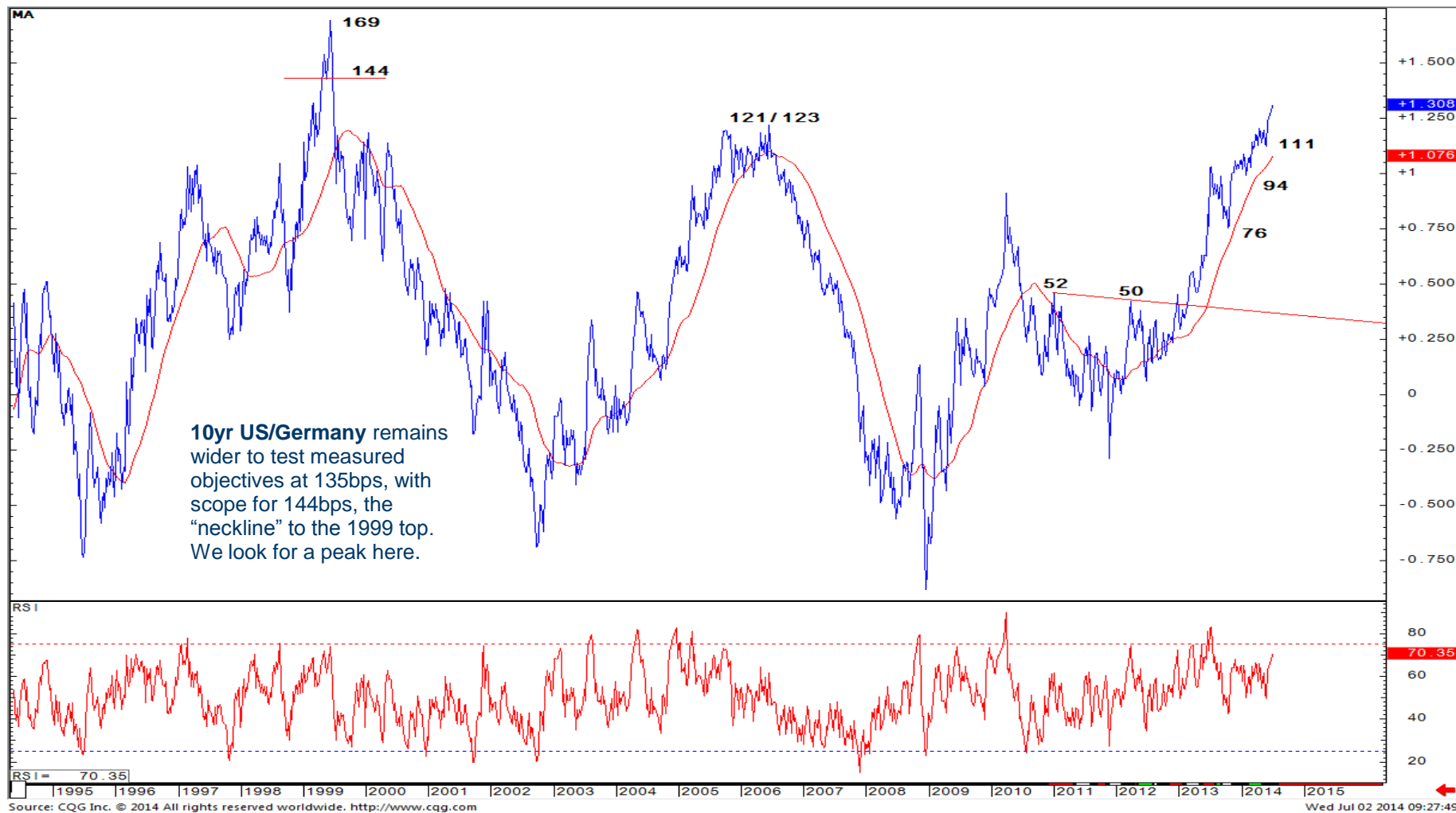
Source: CQG, Credit Suisse

# When the turn eventually comes, we look to be short US 5s

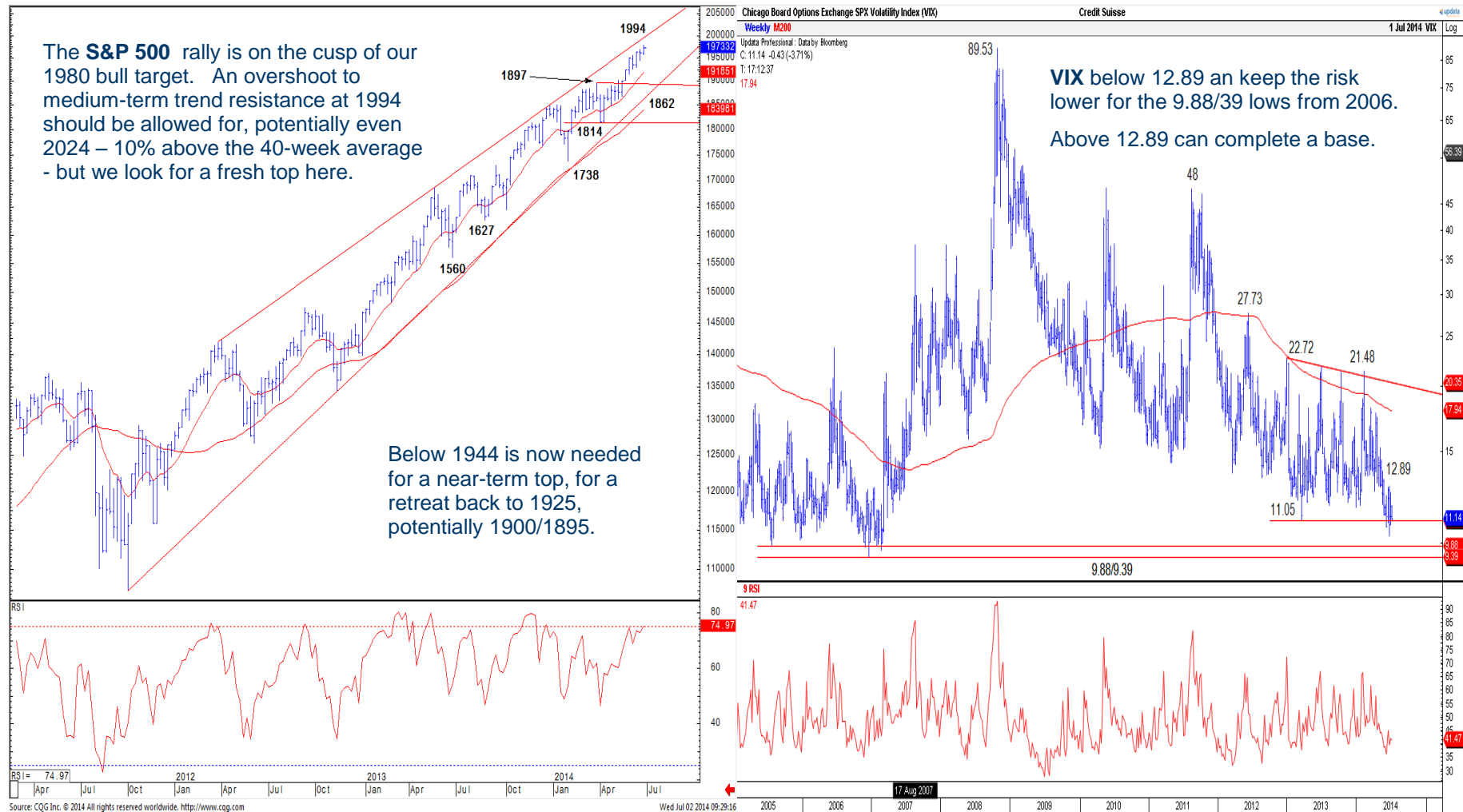


Source: CQG, Credit Suisse

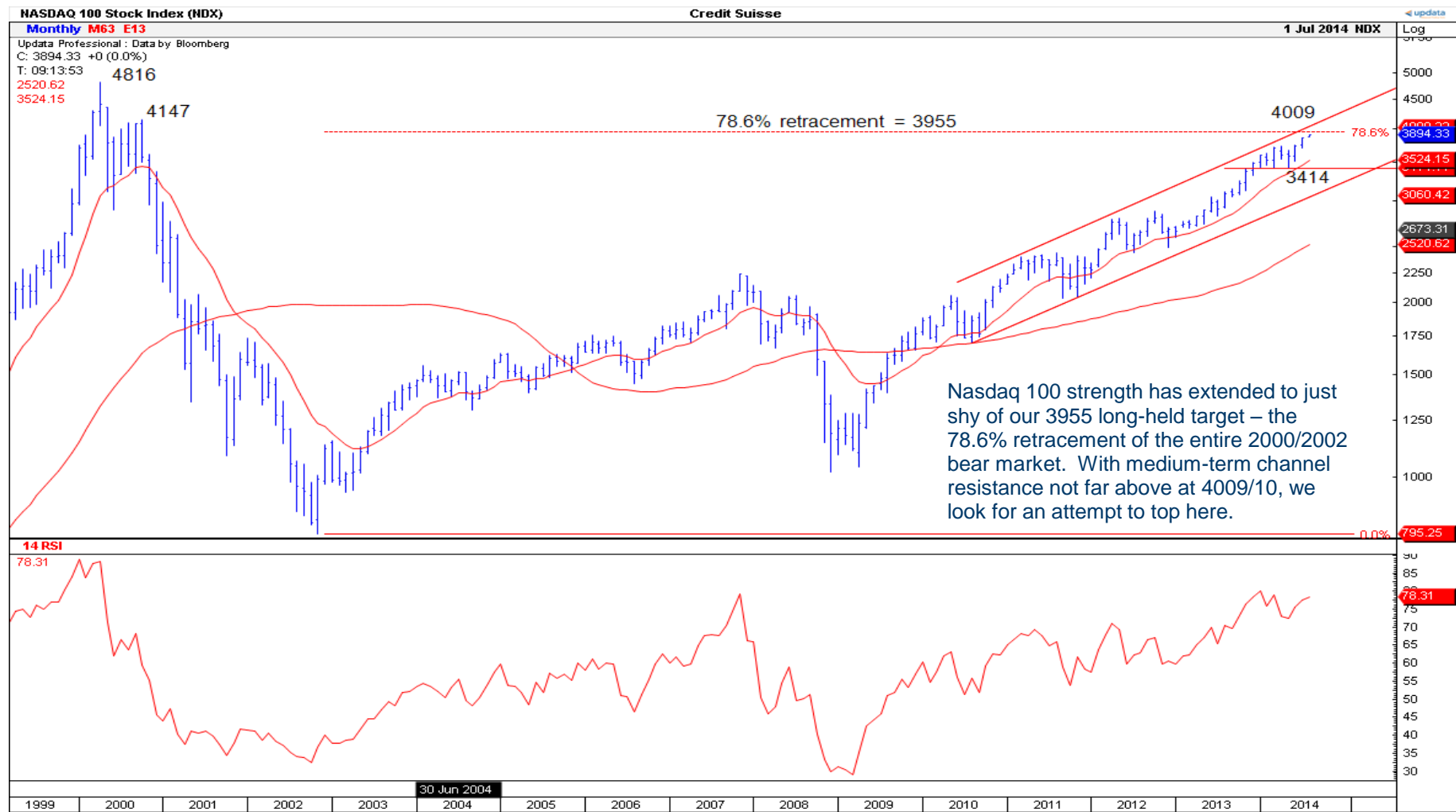
# 10yr US/Germany stays wider for 135bps, potentially 144bps, but we look for a top here



# S&P 500 approaches the top of its medium-term trend, where we expect the rally to struggle



# Nasdaq 100 is on the cusp of our long-held bull target



Source: Updata, the BLOOMBERG PROFESSIONAL™ service, CQG, Credit Suisse

# Europe Stoxx 600 continues to challenge the “neckline” to the 2007 top at 349/355, which we look to cap



Source: Uptada, the BLOOMBERG PROFESSIONAL™ service, Credit Suisse

# We remain bullish GBP. GBPUSD stays bullish for 1.7330/32. We target .7800 for EURGBP

BOE Calculated Effective Exchange Rates UK Broad Exchange Rate (CEERINDEX)

Company

30 Jun 2014 CEERINDEX

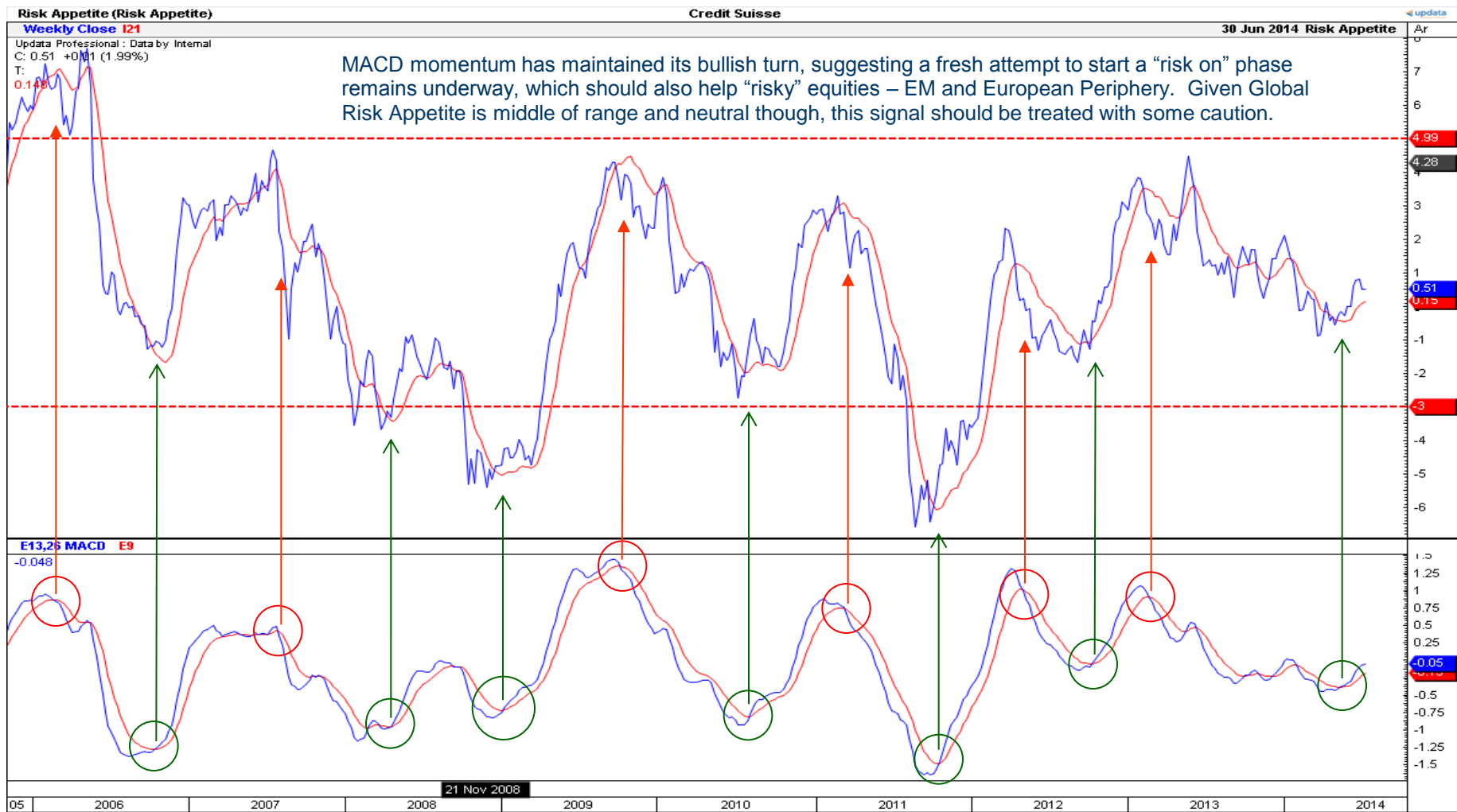


Source: CQG, Credit Suisse

## Other Core Themes & Charts



# Global Risk Appetite momentum still trends up



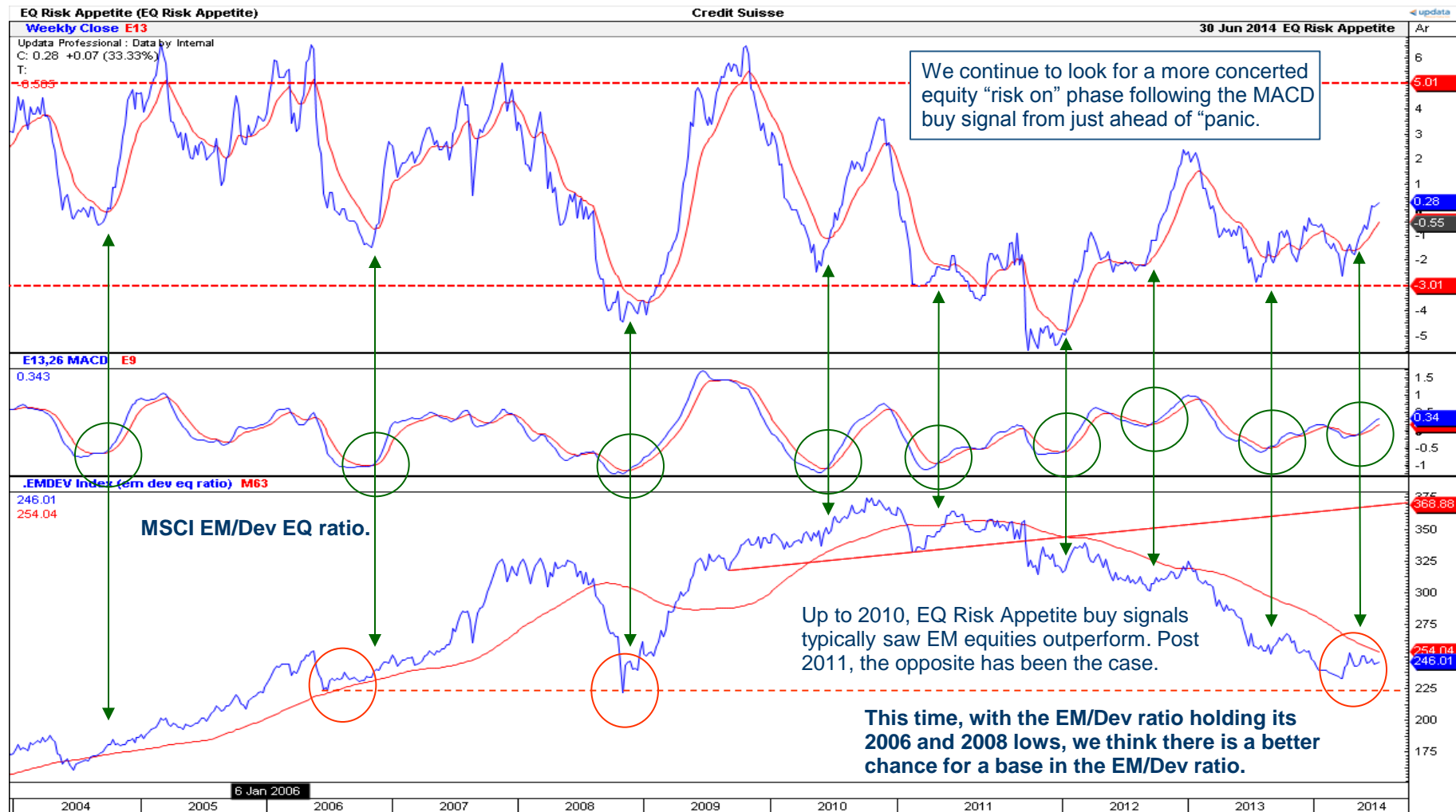
Source: Uputa, Credit Suisse

# World Wealth trend stays higher, but has lost momentum



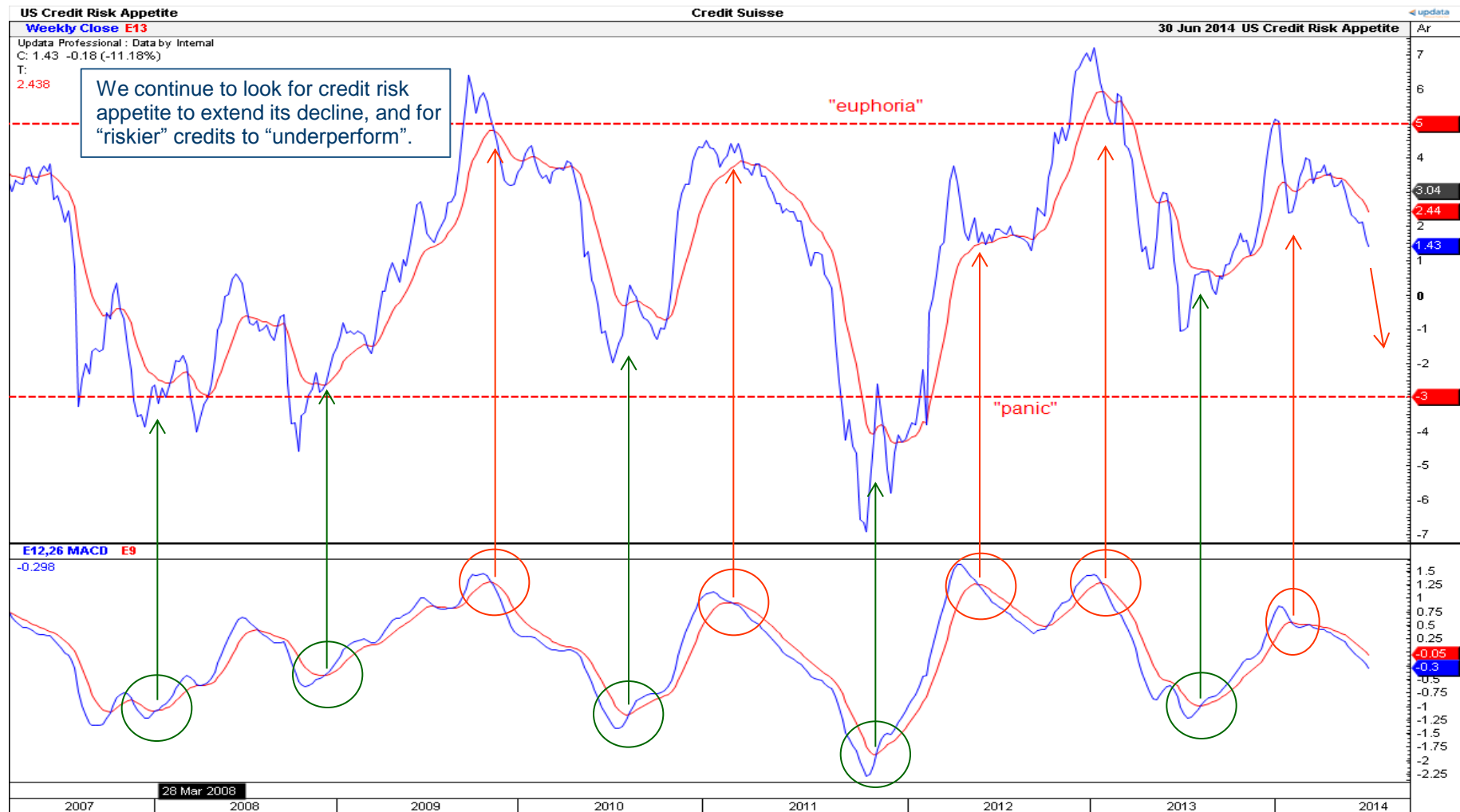
Source: Updata, Credit Suisse

# Equity Risk Appetite maintains its “buy” signal and we look for “risky” equities to outperform



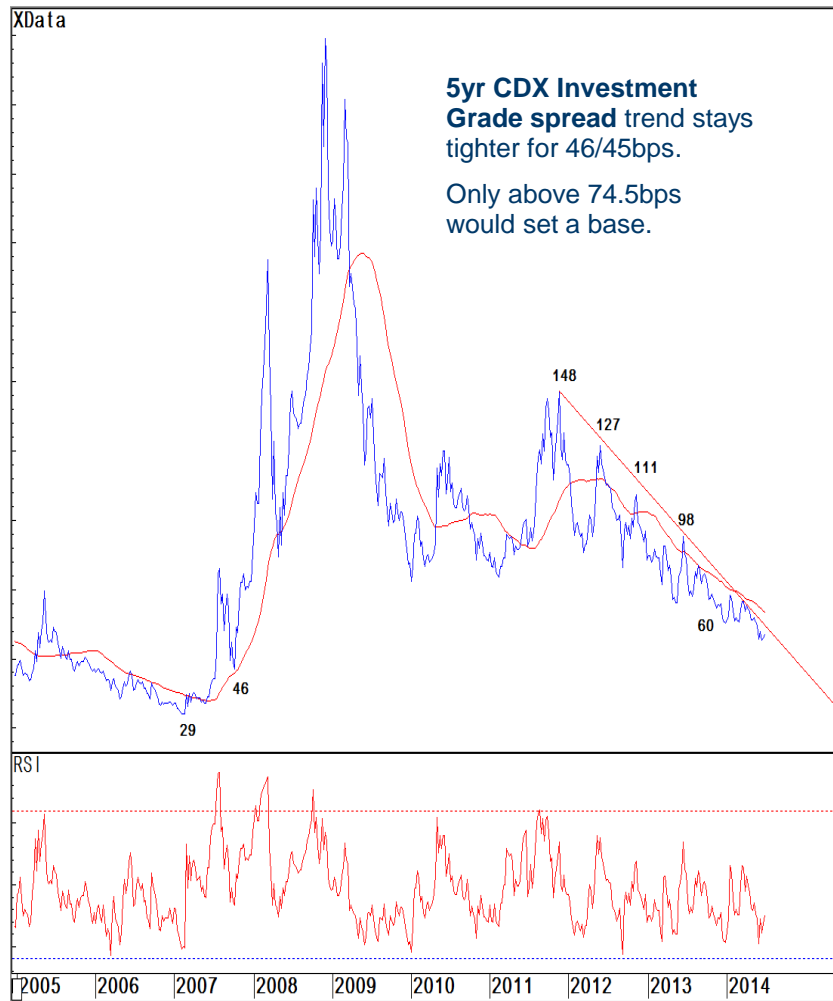
Source: Updata, Credit Suisse

# US Credit Risk Appetite maintains its “sell” signal



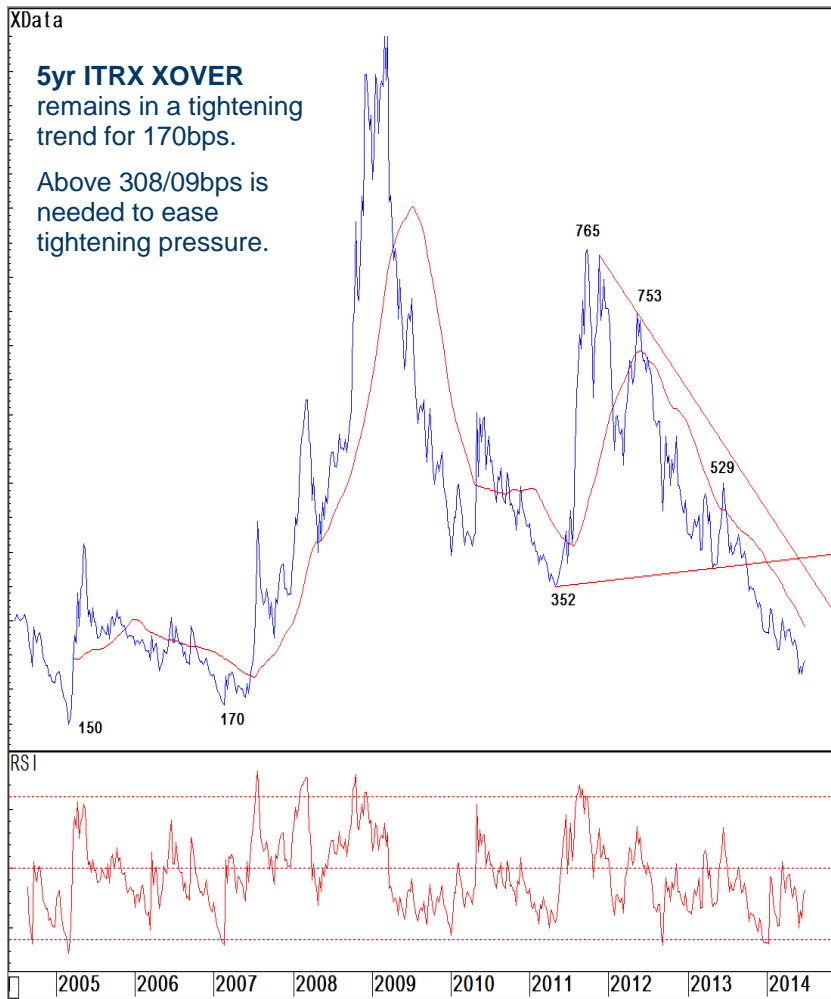
Source: Uputa, Credit Suisse

# US IG & HY resume their medium-term tightening trends

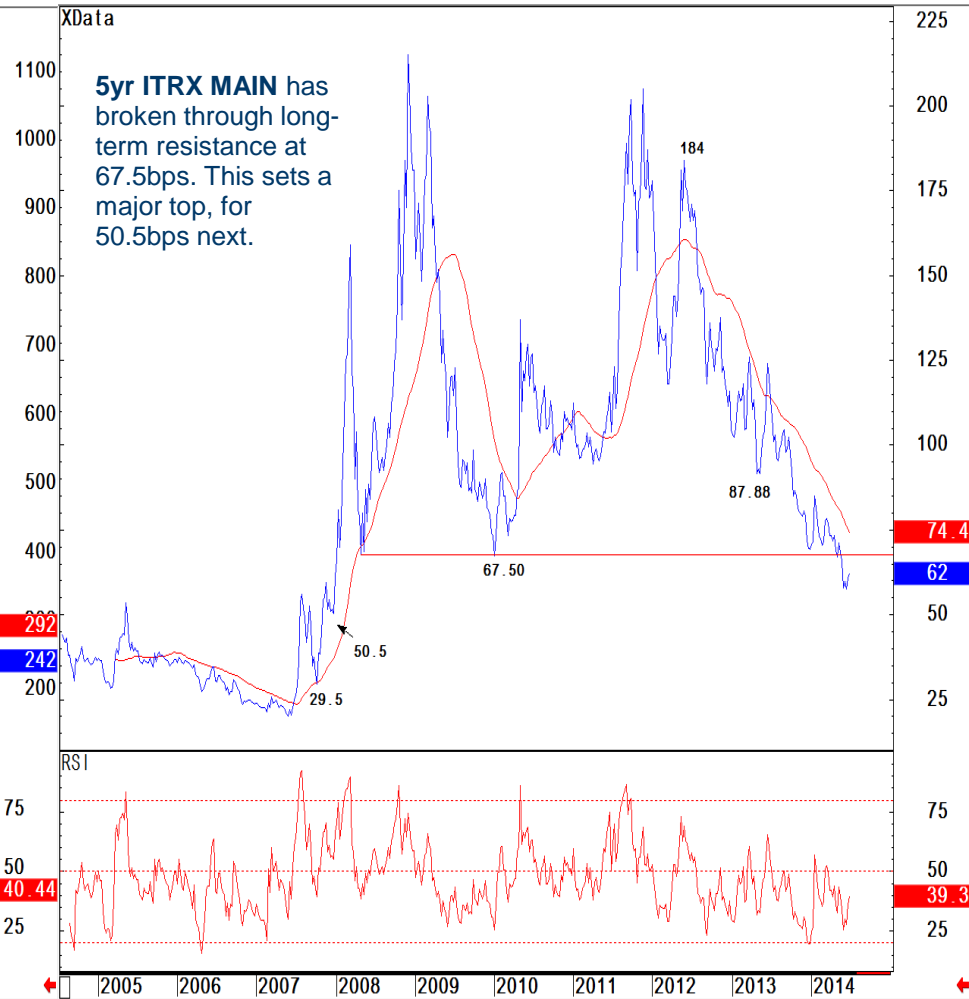


Source: CQG, Credit Suisse

# EUR ITRX MAIN and XOVER remains in tightening trends.



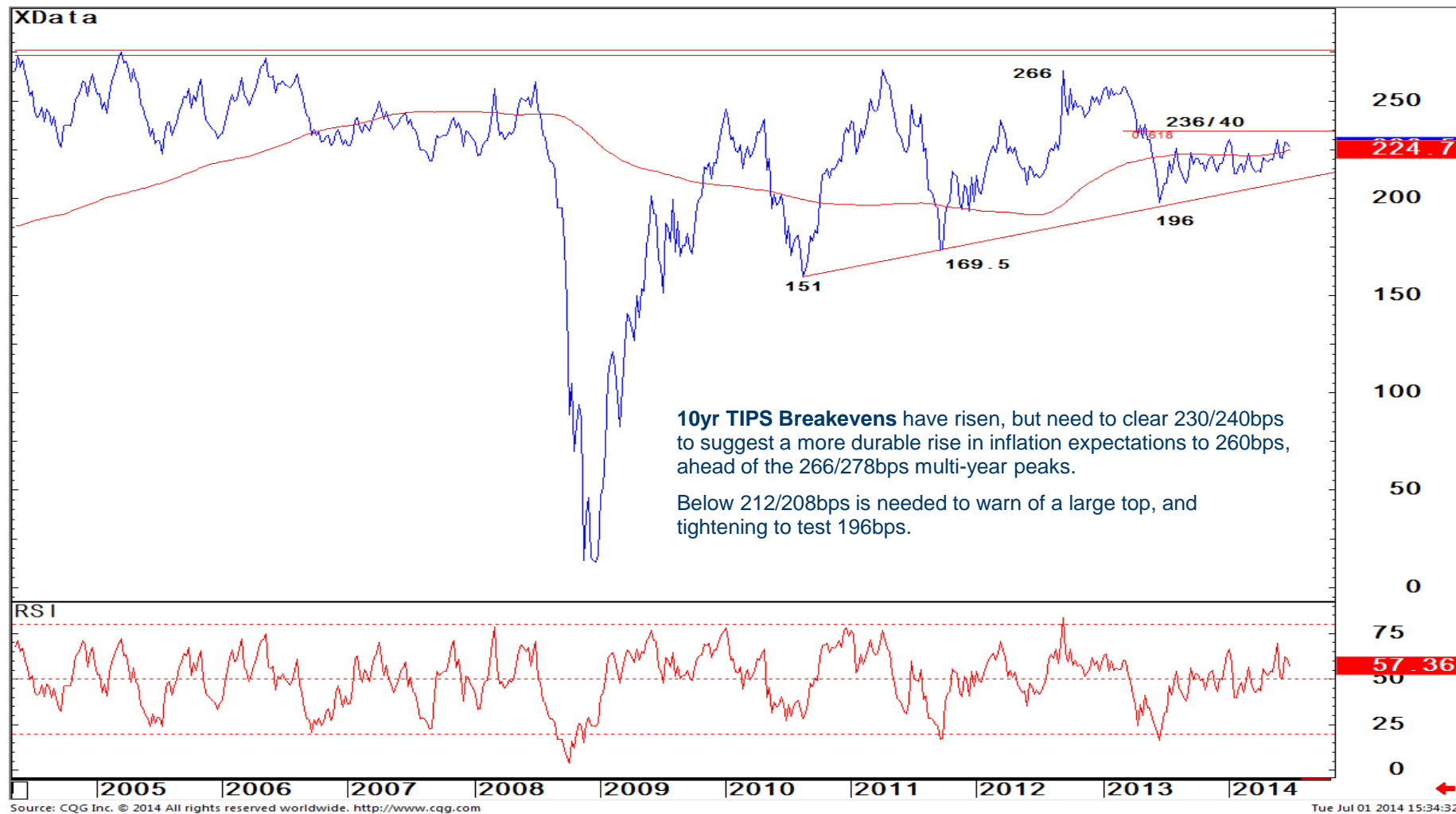
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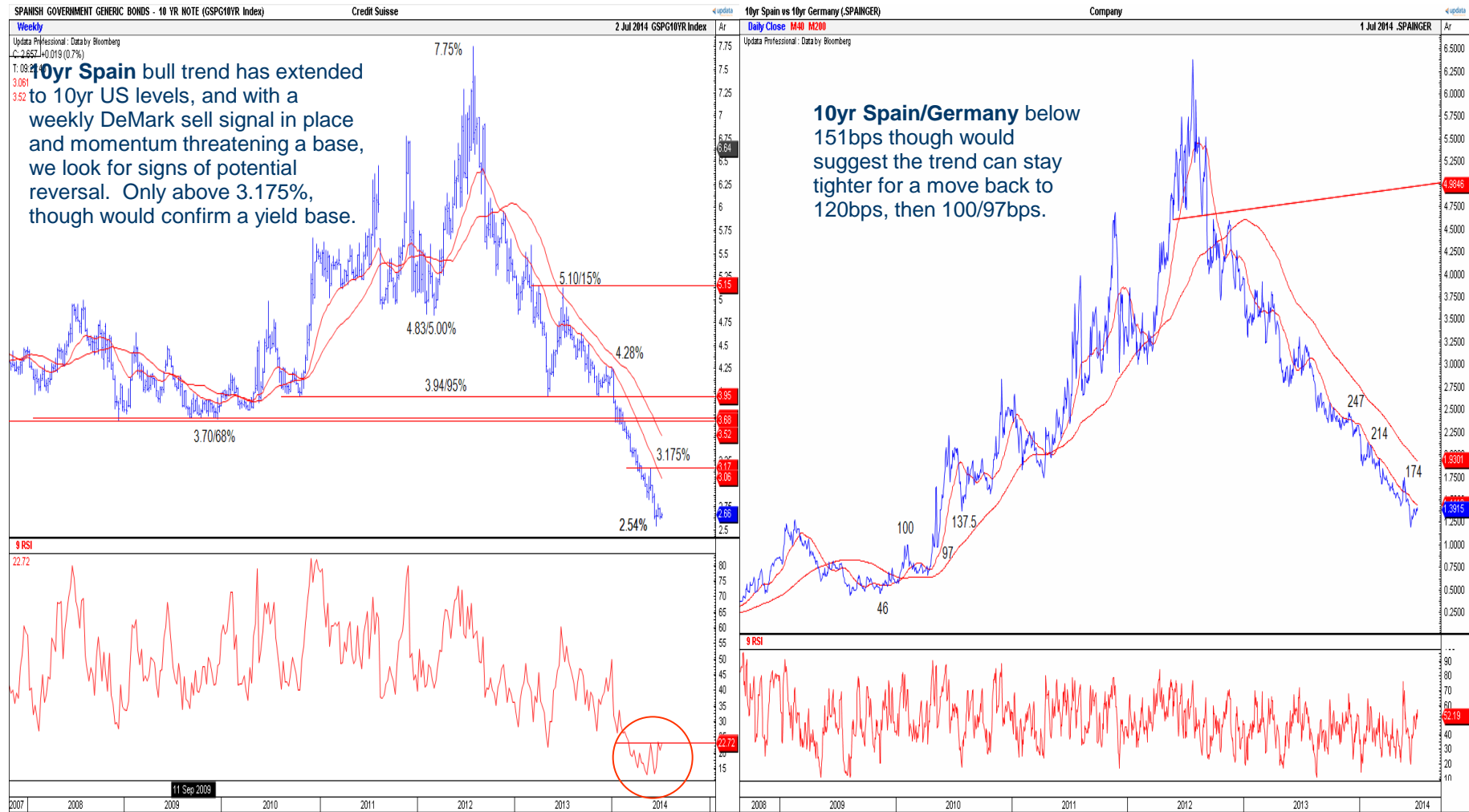
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Source: CQG, Credit Suisse

# US Inflation expectations are rising, but not enough as yet to mark an important break higher



# 10yr Spain reversal risk continues to grow; 10yr Spain/Germany trend stays tighter for now



Source: Uptada, the BLOOMBERG PROFESSIONAL™ service, Credit Suisse



# 10yr Italy loses momentum, but above 3.05% is needed to see the near-term risk turn bearish

Italy Govt Bonds 10 Year Gross Yield (GBTPGR10 Index)

Company

10yr Italy Spain (10YRITES Index)

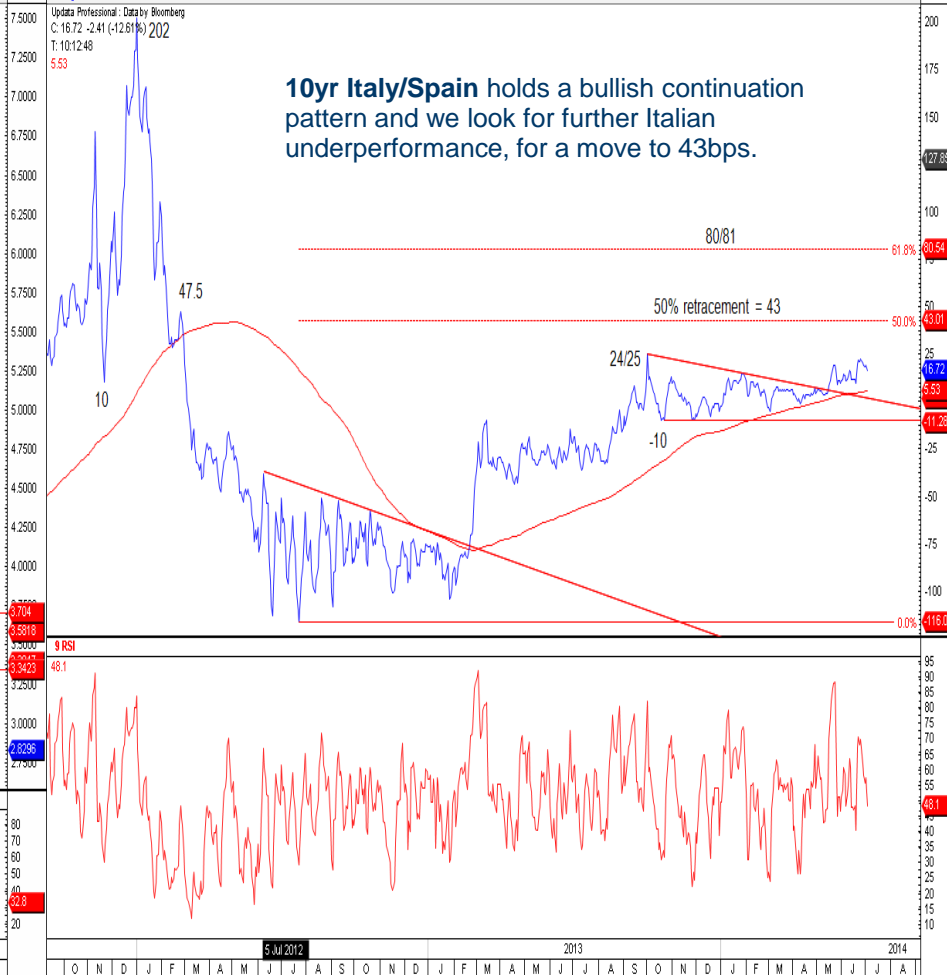
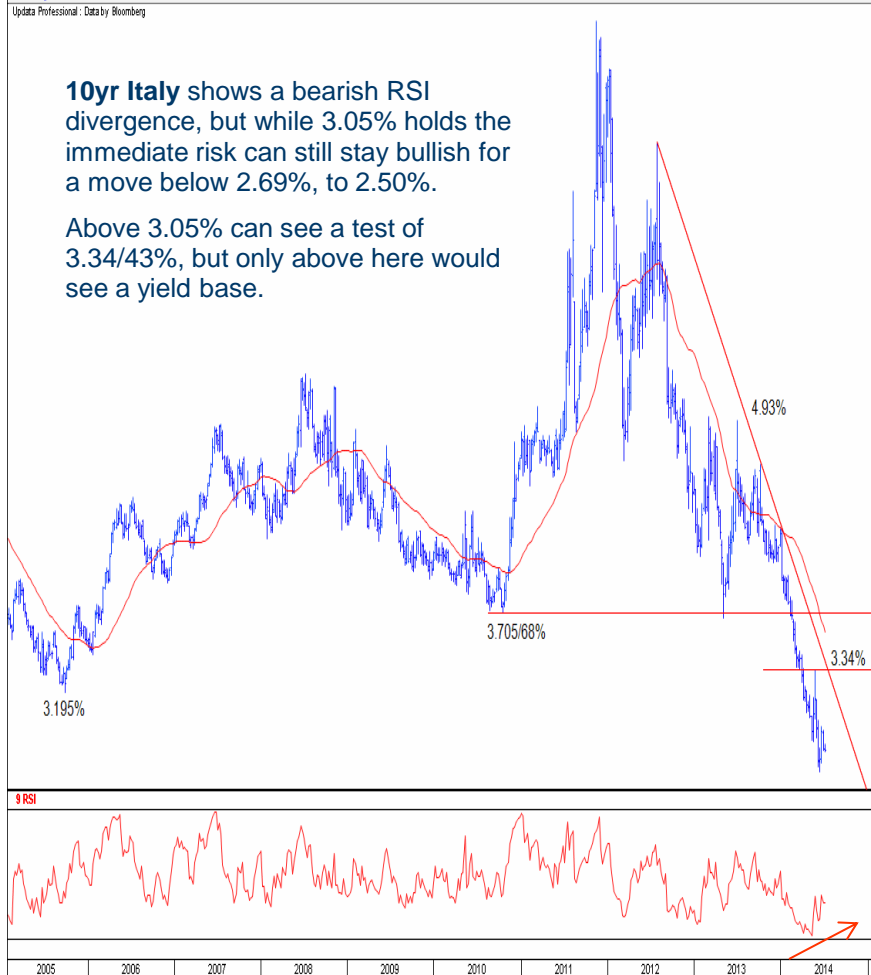
Credit Suisse

Weekly M40  
Update Professional : Data by Bloomberg

1 Jul 2014 GBTPGR10 Index

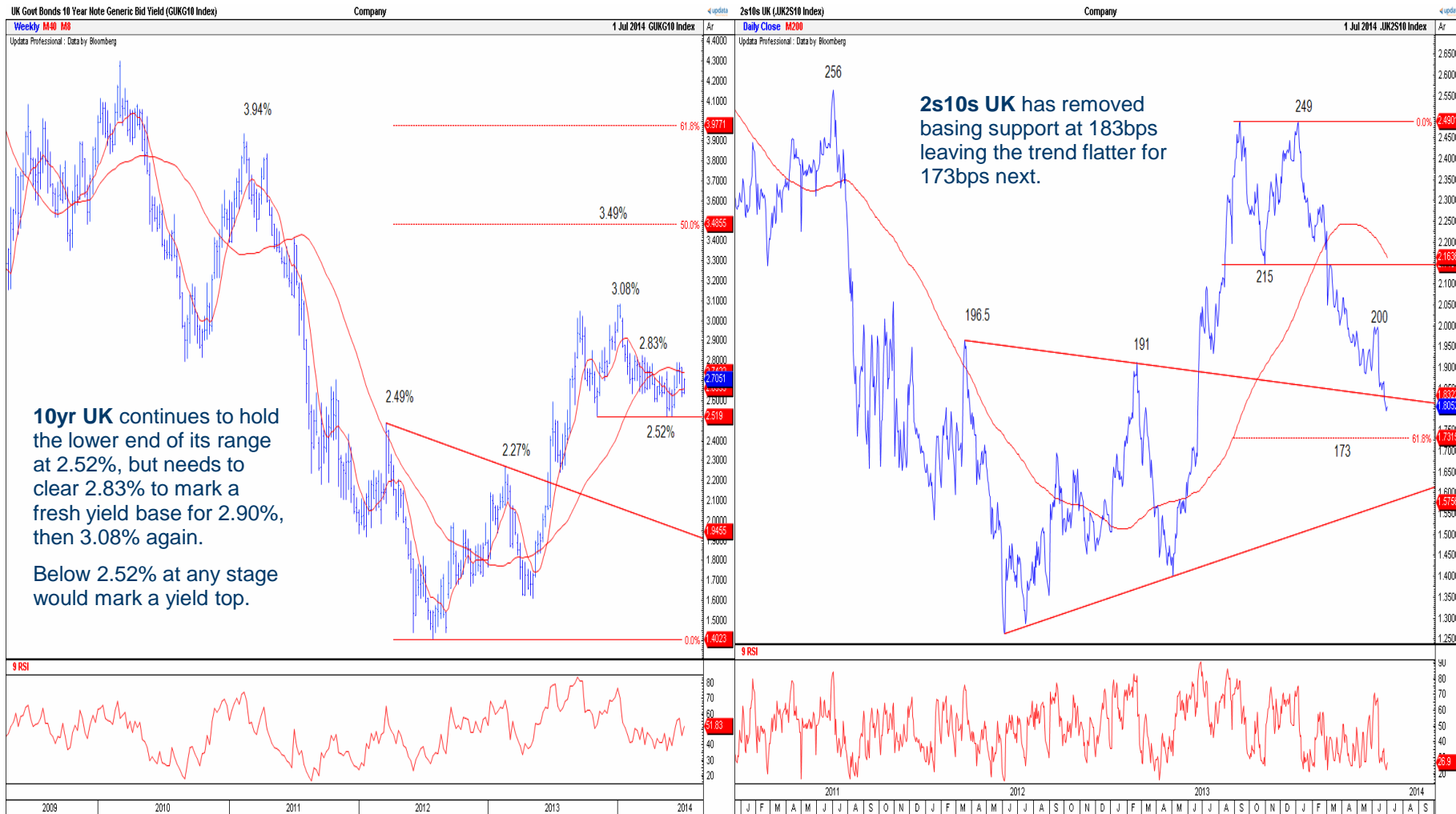
Daily Close M200

2 Jul 2014 .10YRITES Index



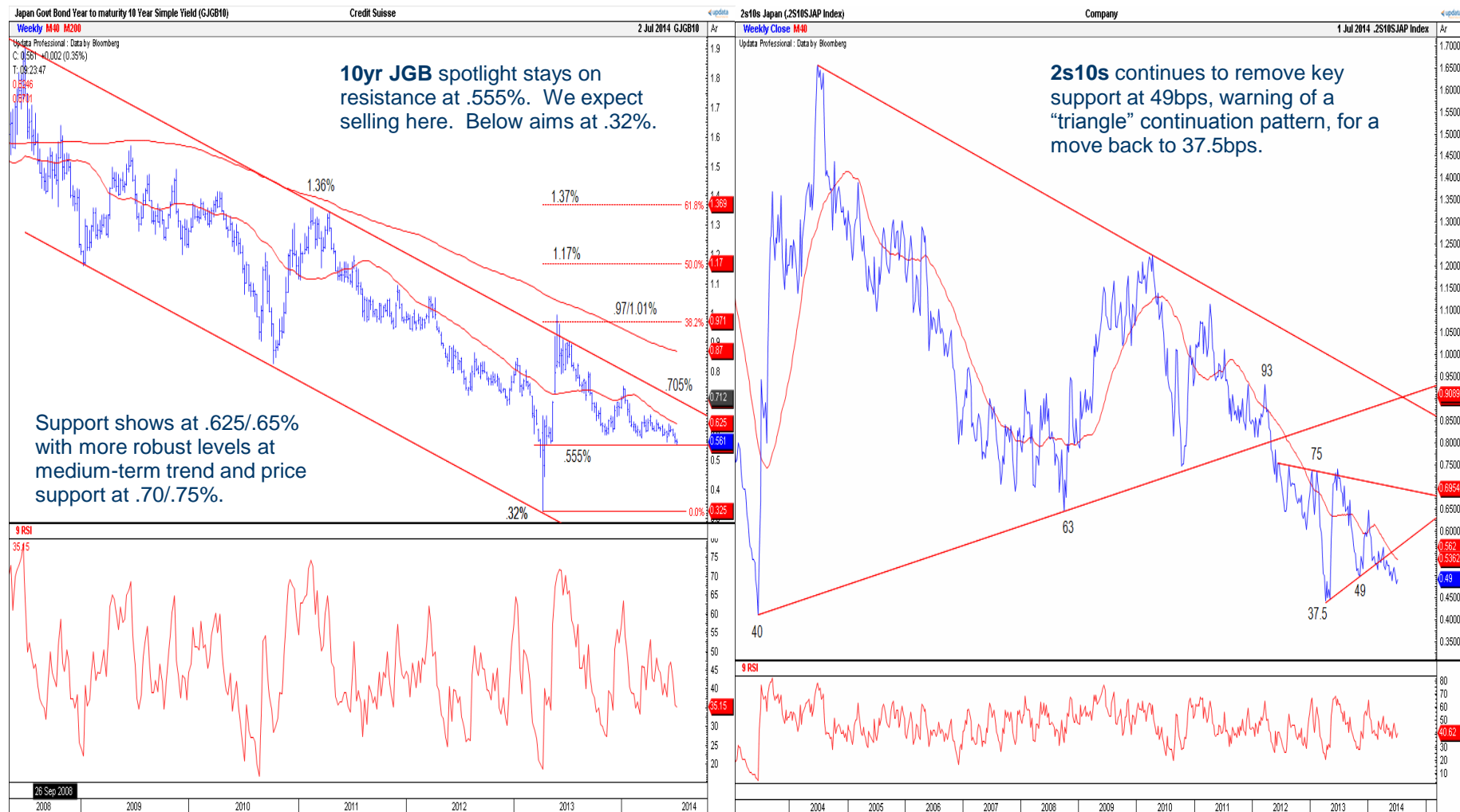
Source: Uputa, the BLOOMBERG PROFESSIONAL™ service, CQG, Credit Suisse

10yr UK above 2.52% can maintain a bear story; 2s10s remains under flattening pressure



Source: Uptada, the BLOOMBERG PROFESSIONAL™ service, Credit Suisse

# 10yr JGB continues to pressure .555%; 2s10s is removing key support at 49bps for 37.5bps



Source: Uptada, the BLOOMBERG PROFESSIONAL™ service, Credit Suisse

# MSCI World is expected to face tougher resistance, starting at 1770



Source: Uptada, the BLOOMBERG PROFESSIONAL™ service, Credit Suisse

# But we stay bullish European Periphery equities



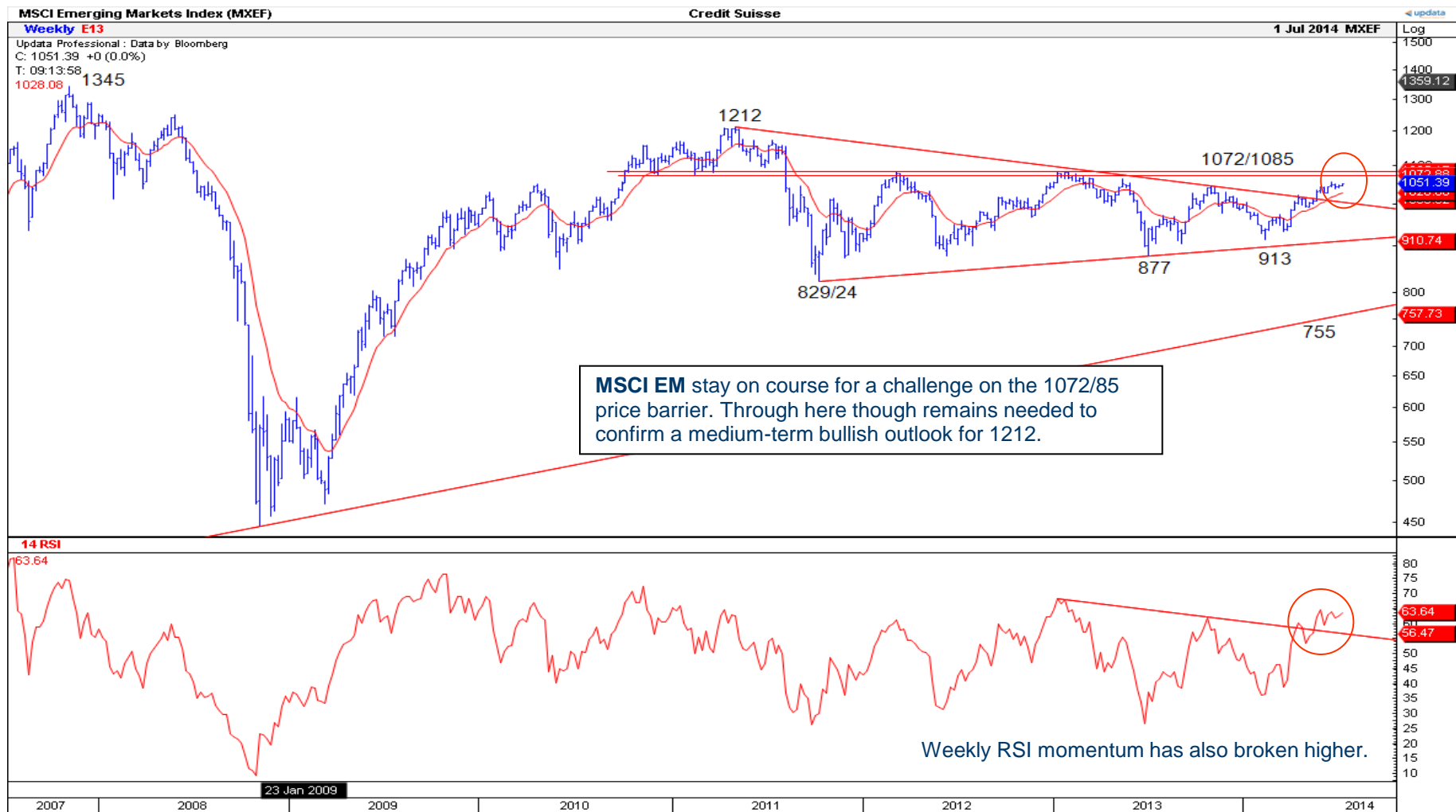
Source: Uptada, the BLOOMBERG PROFESSIONAL™ service, Credit Suisse

# Nikkei stays on course for a fresh challenge on its secular downtrend



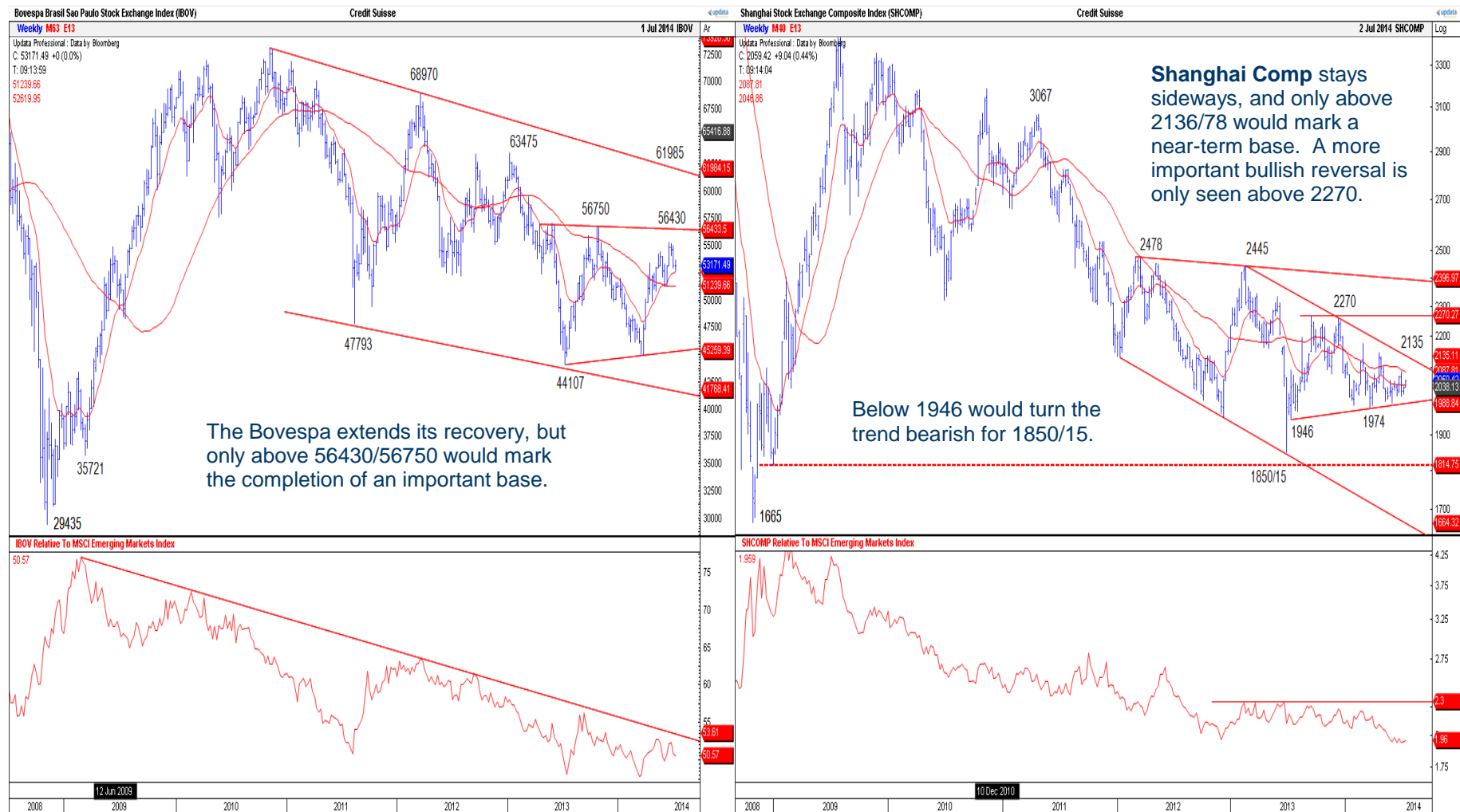
Source: CQG, Credit Suisse

# EM Equities still have a major price barrier to clear yet



Source: Uptada, the BLOOMBERG PROFESSIONAL™ service, Credit Suisse

# Brazil only sees a base above 56750; China remains a concern



Source: Uputa, the BLOOMBERG PROFESSIONAL™ service, Credit Suisse



# We remain bullish Asia ex Japan. Taiwan stays bullish, but has achieved our next target

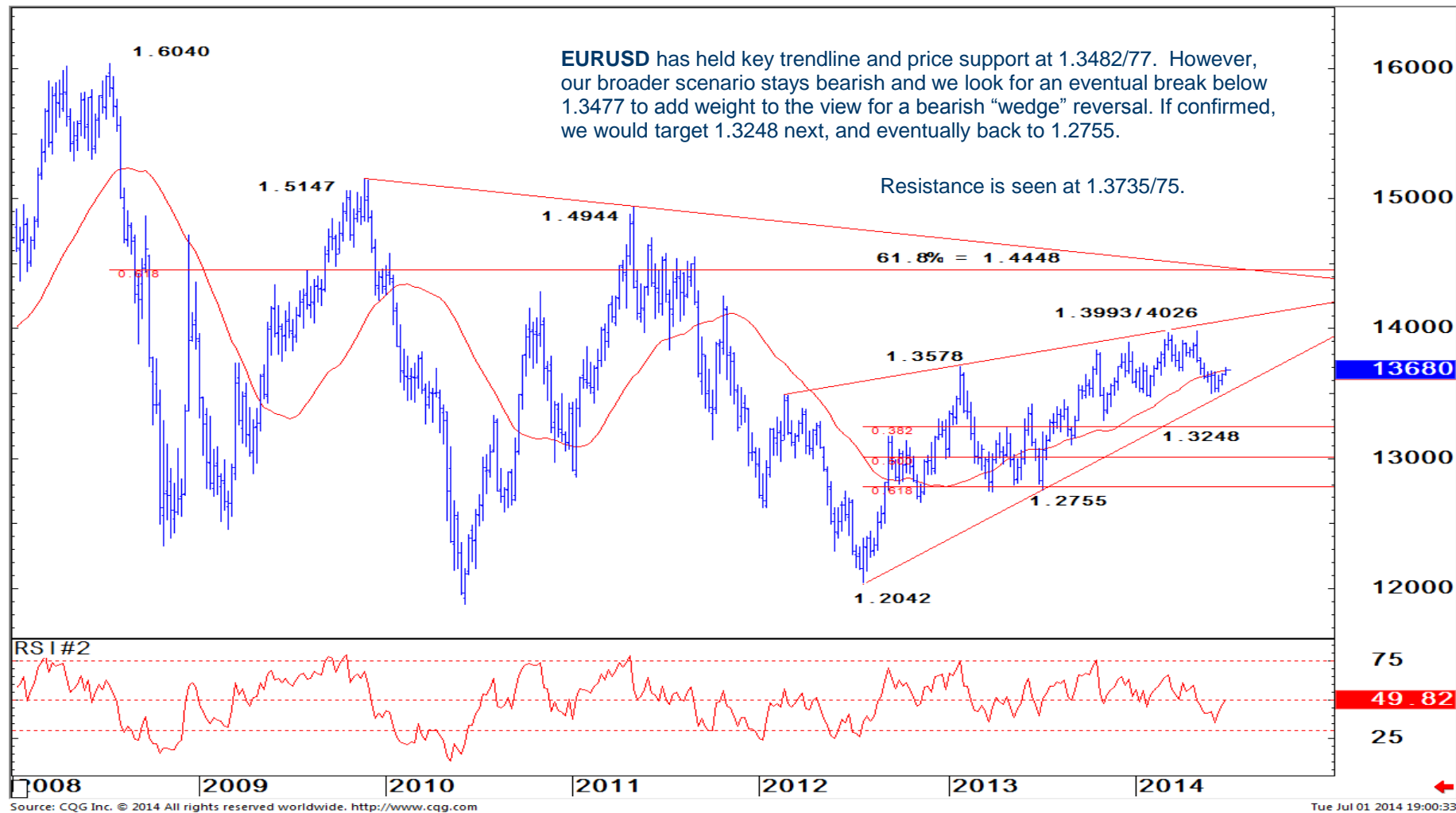


# DXY \$ Index stays rangebound, but under pressure; EUR TWI maintains a top, and we stay bearish

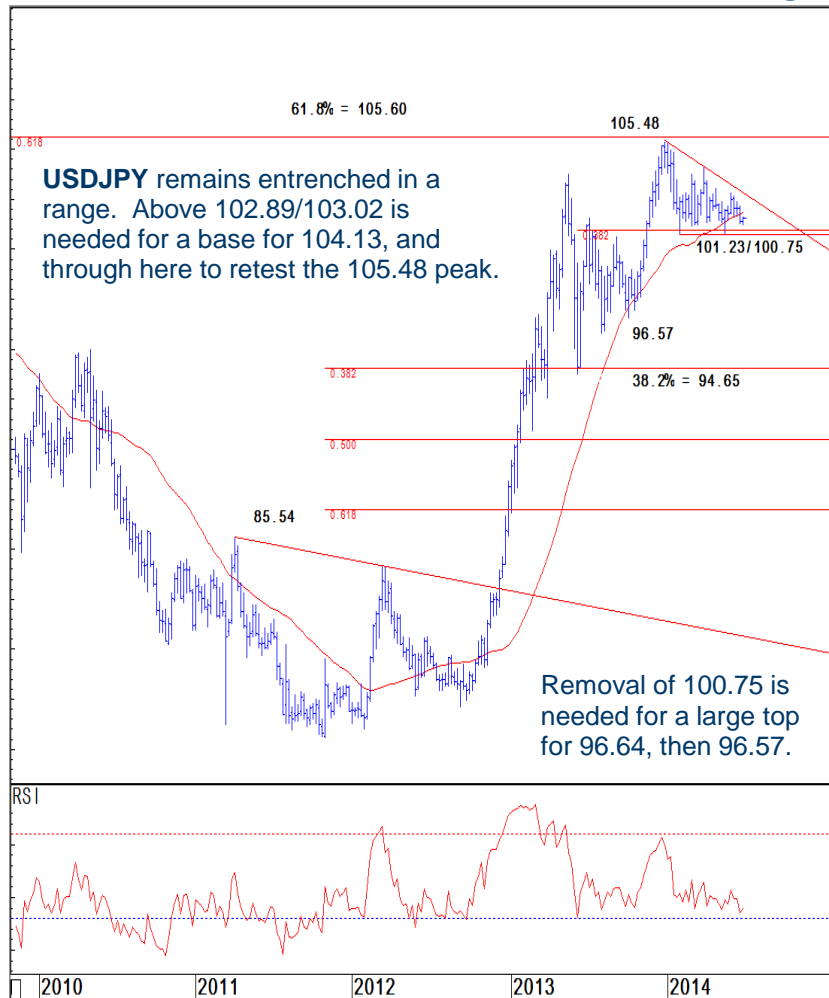


Source: Uptada, the BLOOMBERG PROFESSIONAL™ service, CQG, Credit Suisse

# We continue to believe EURUSD is forming a bear “wedge”



# USDJPY only turns bearish below 100.75; EURJPY remains under pressure in its range



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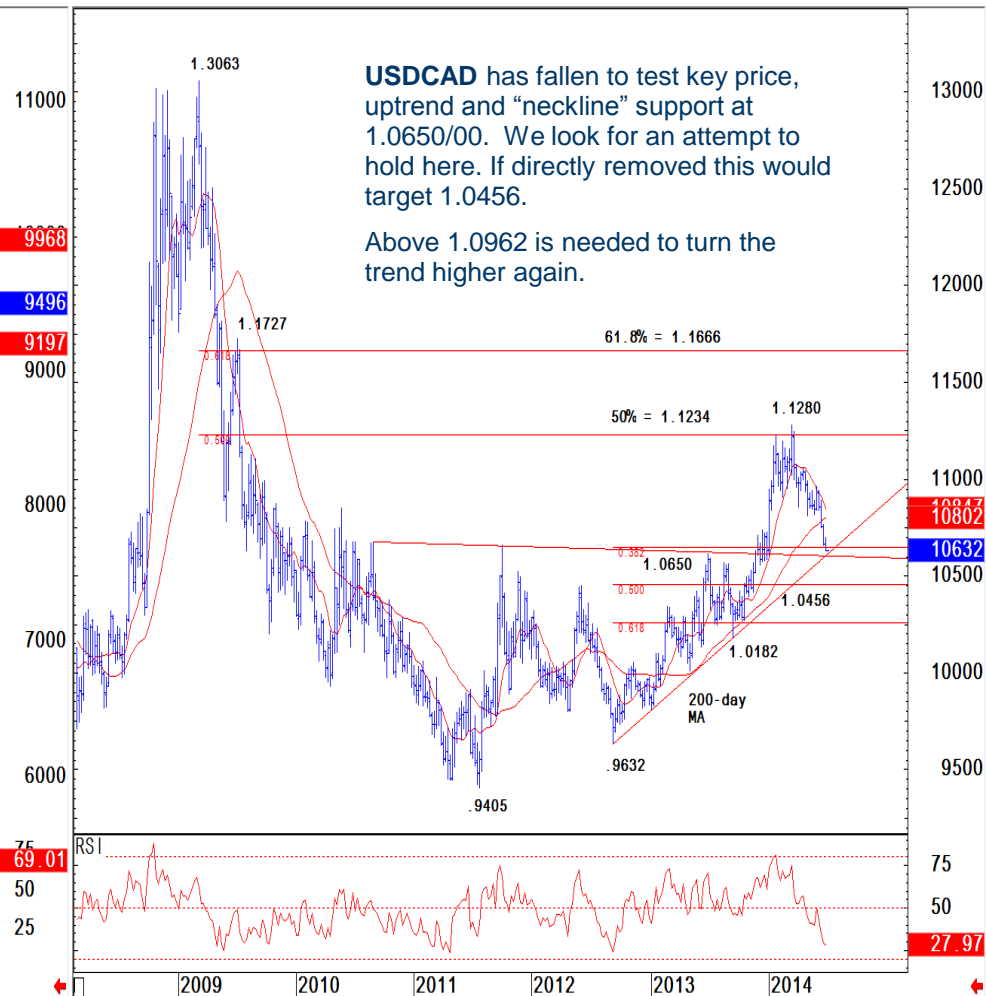
Tue Jul 01 2014 16:08:13

Source: CQG, Credit Suisse

# AUDUSD recovery is expected to extend to .9584; USDCAD tests key medium-term support at 1.0650/00



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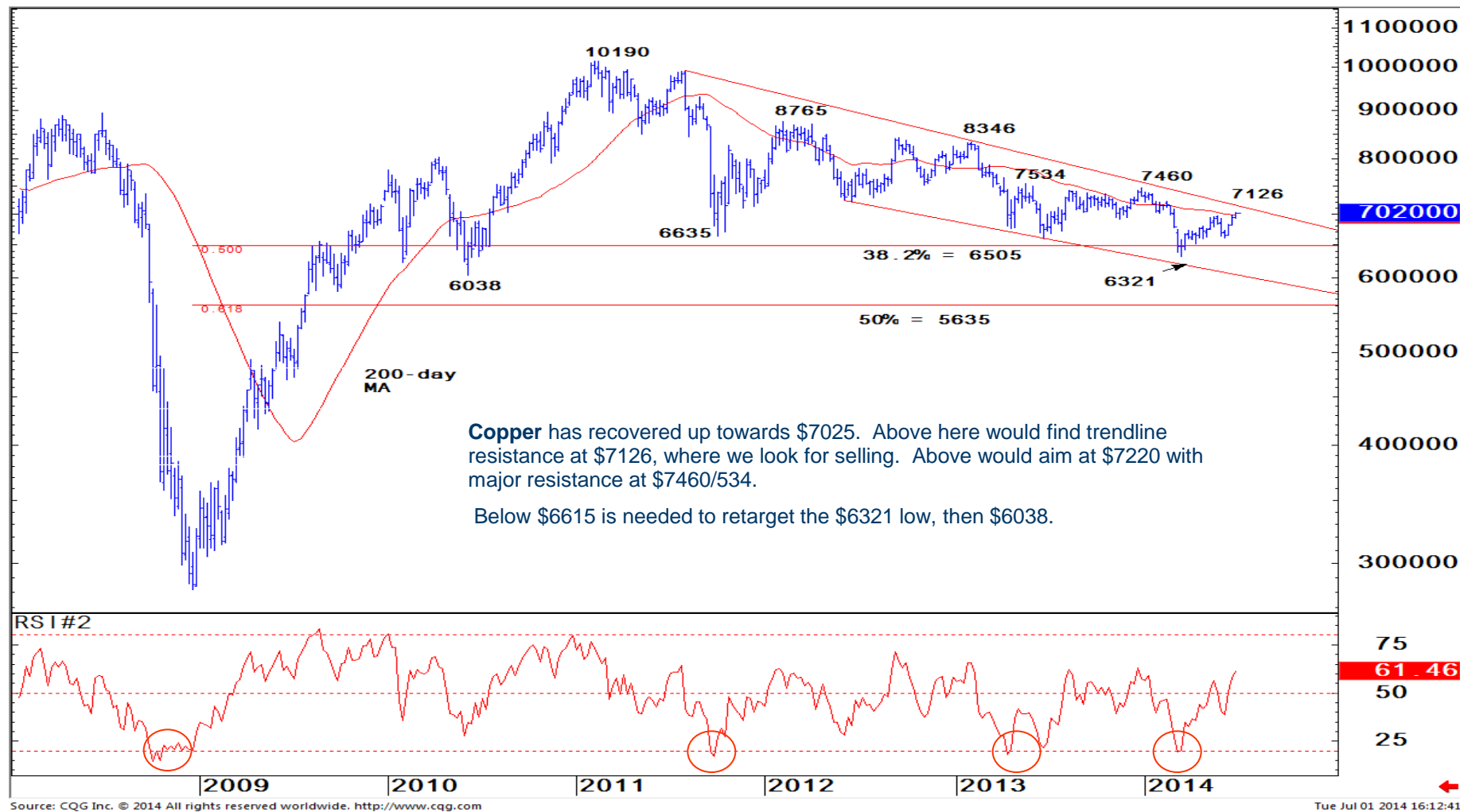
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Source: CQG, Credit Suisse

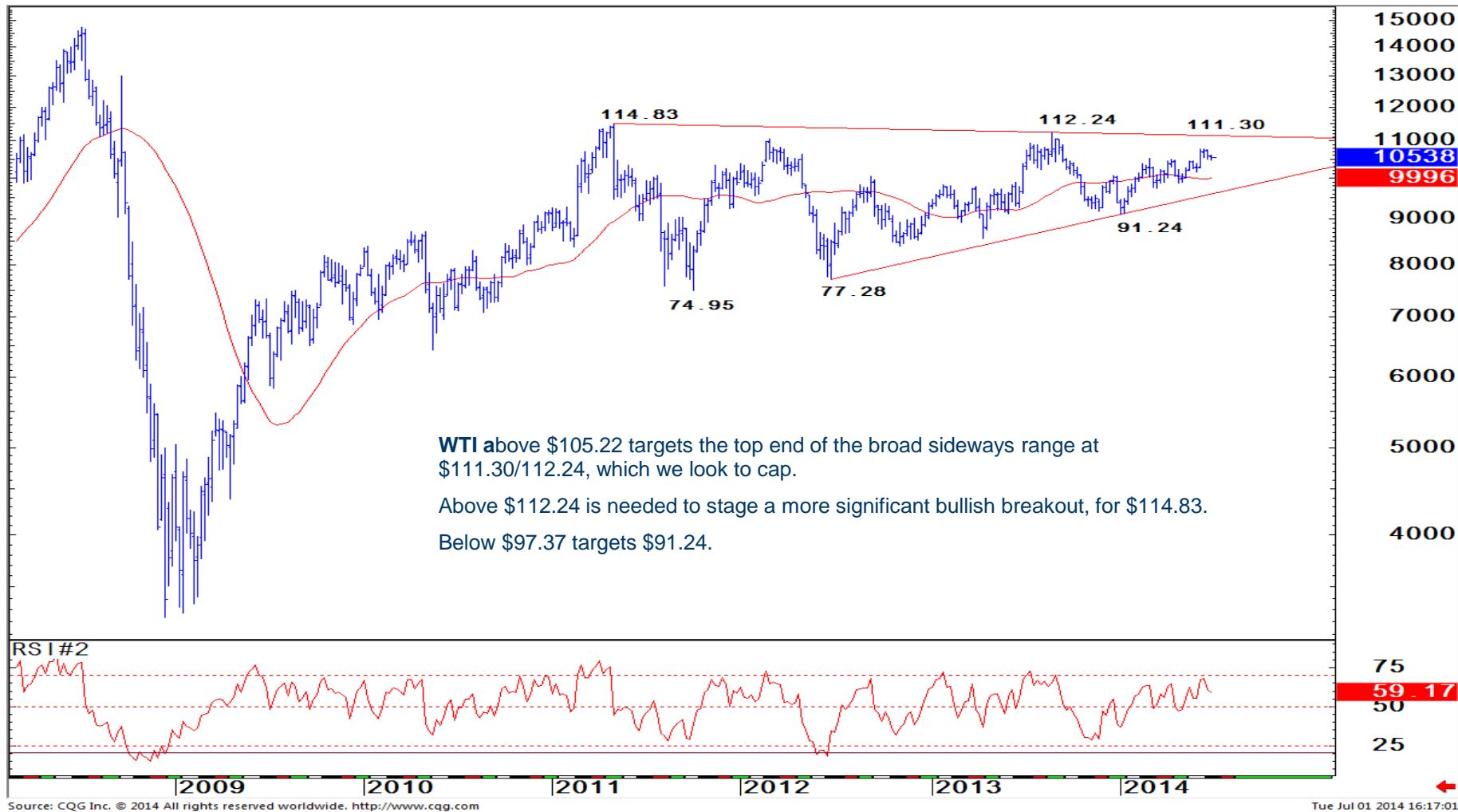
# Gold remains in a broad sideways range



# Copper extends its recovery



# WTI Crude Oil stays bullish to test the top of its broader range at \$111.30/112.24





# Disclosure Appendix

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\*\*Percentages do not include securities on the firm's Restricted List and might not total 100% as a result of rounding.

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