

Weekly Macro Chart Pack

Key measures of risk

2nd July 2014

David Sneddon

Managing Director, Global Strategy Technical Analysis

+44 20 7888 7173

david.sneddon@credit-suisse.com

Chris Hine

Director, Global Strategy Technical Analysis

+1 212 538 5727

christopher.hine@credit-suisse.com

James Lim

Analyst, Global Strategy Technical Analysis

lifeng.lim@credit-suisse.com

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Overview

Critical Focus Charts

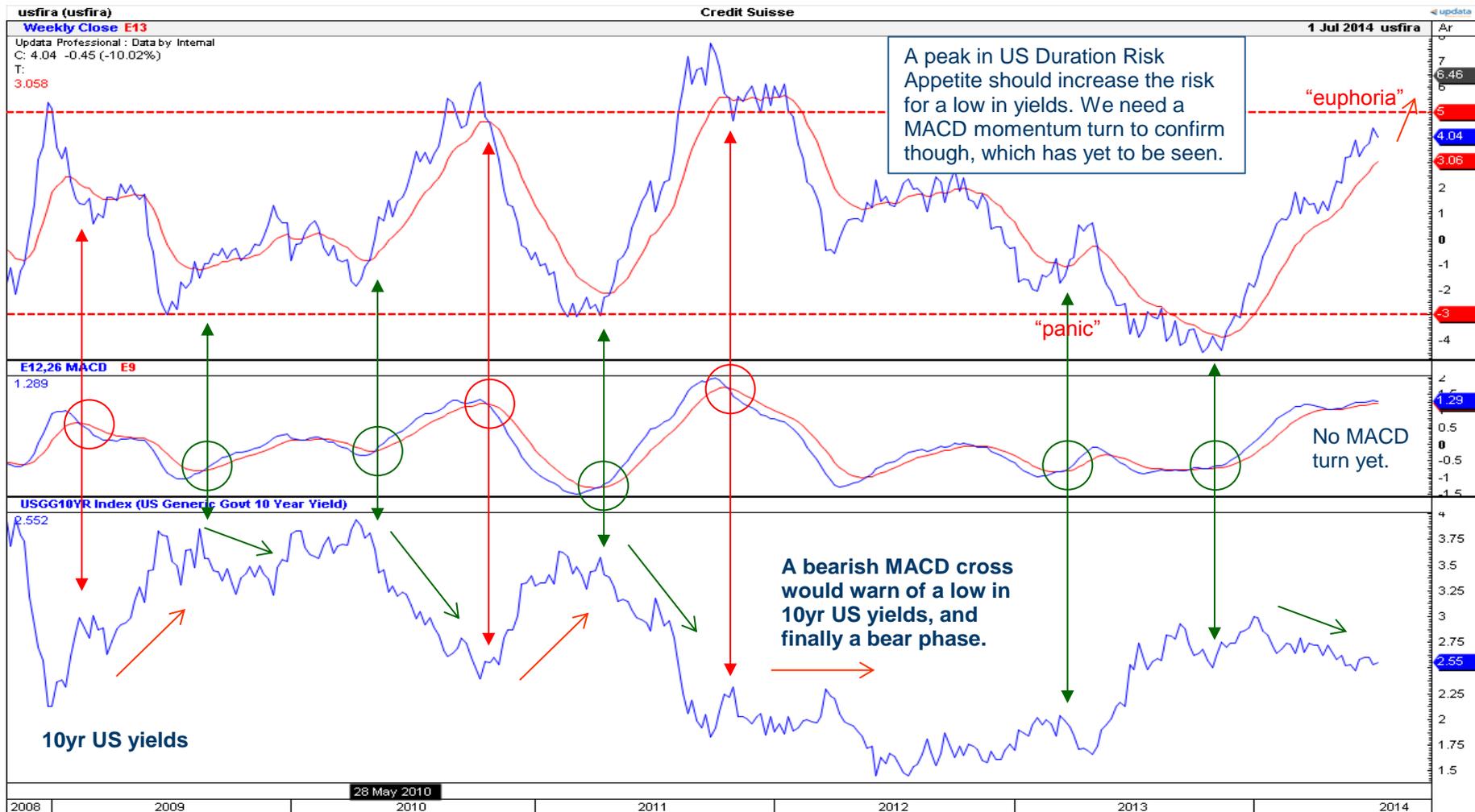
- **US Duration Risk Appetite**, a key driver of our bullish bond view, is nearly at “euphoria”, where we look for a peak.
- Suggests we are in the latter stages of the bond rally.
- **10yr Germany** is approaching our 1.20% bull target. We look for a floor in yields here.
- **EUR Volatility and Inflation** 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.

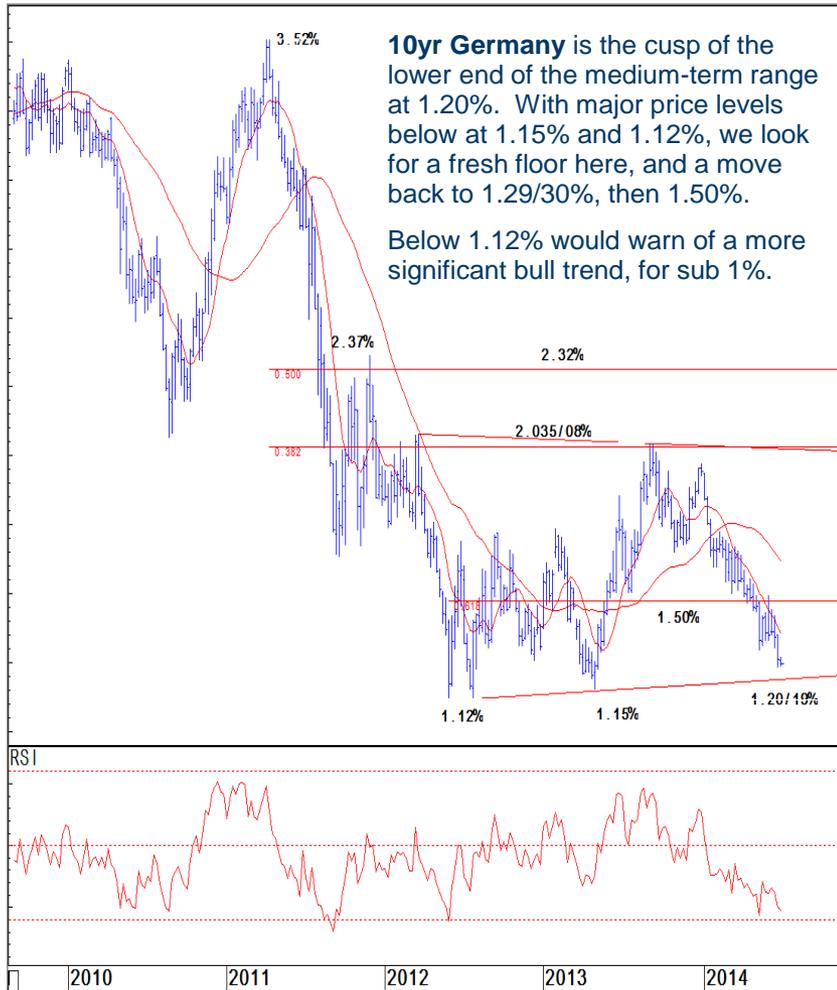
Critical Focus Charts

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



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

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

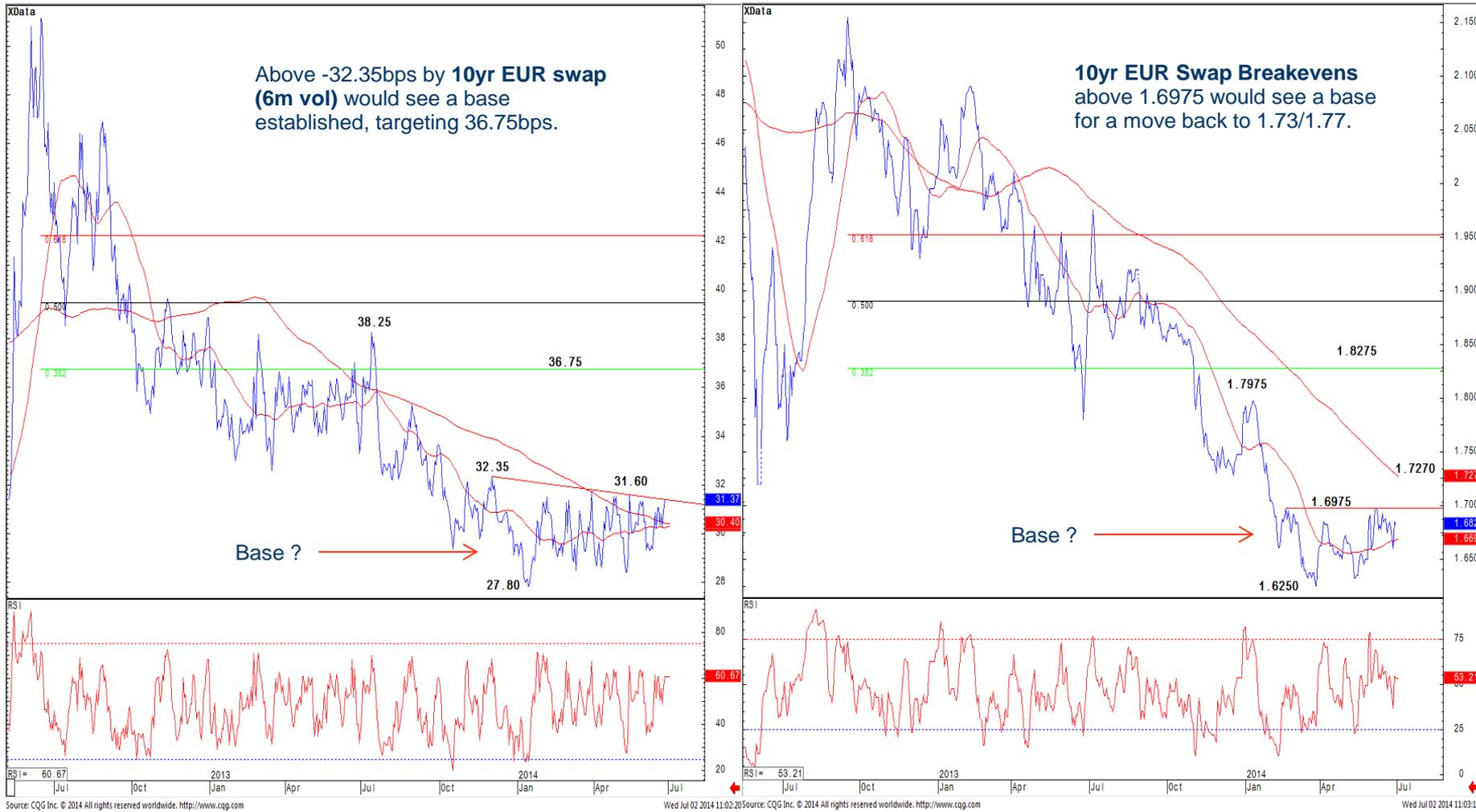


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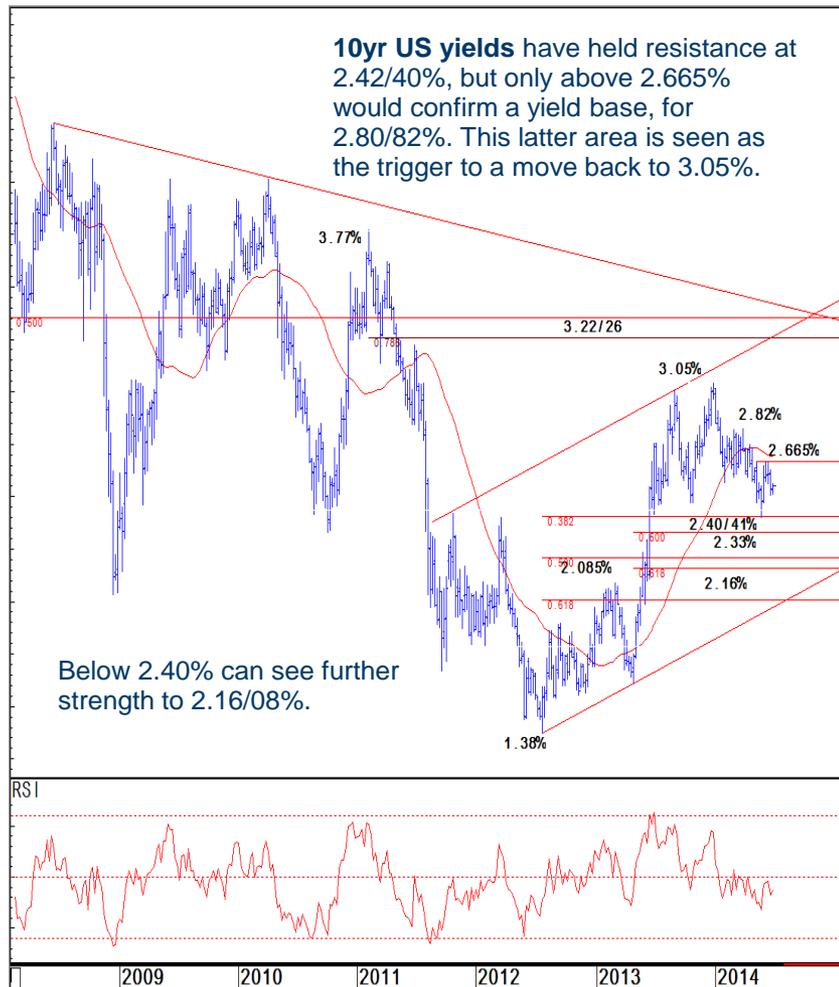
Source: Udata, the BLOOMBERG PROFESSIONAL™ service, CQG Credit Suisse

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



Source: CQG, Credit Suisse

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



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Source: CQG, Credit Suisse

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



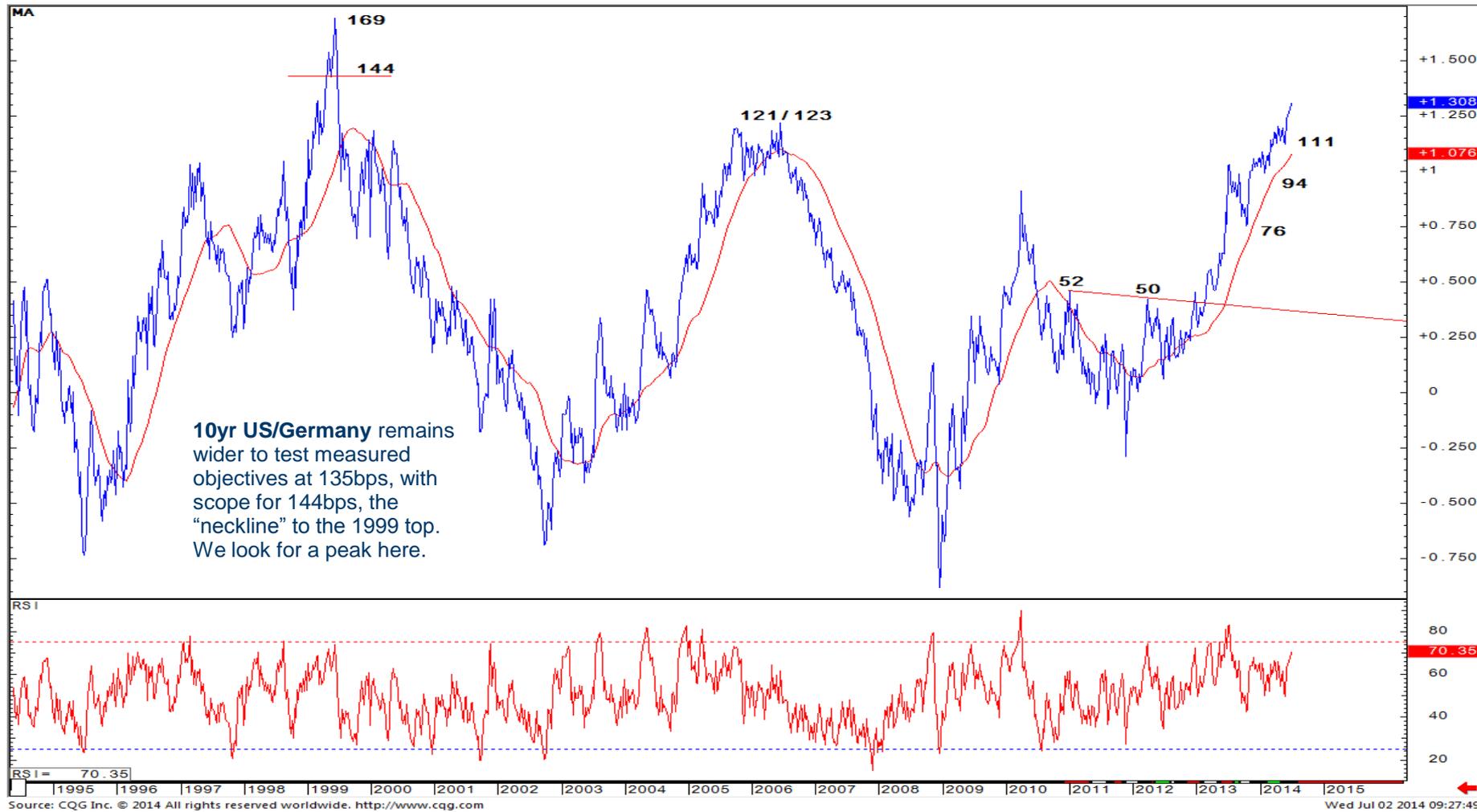
Source: CQG, Credit Suisse

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



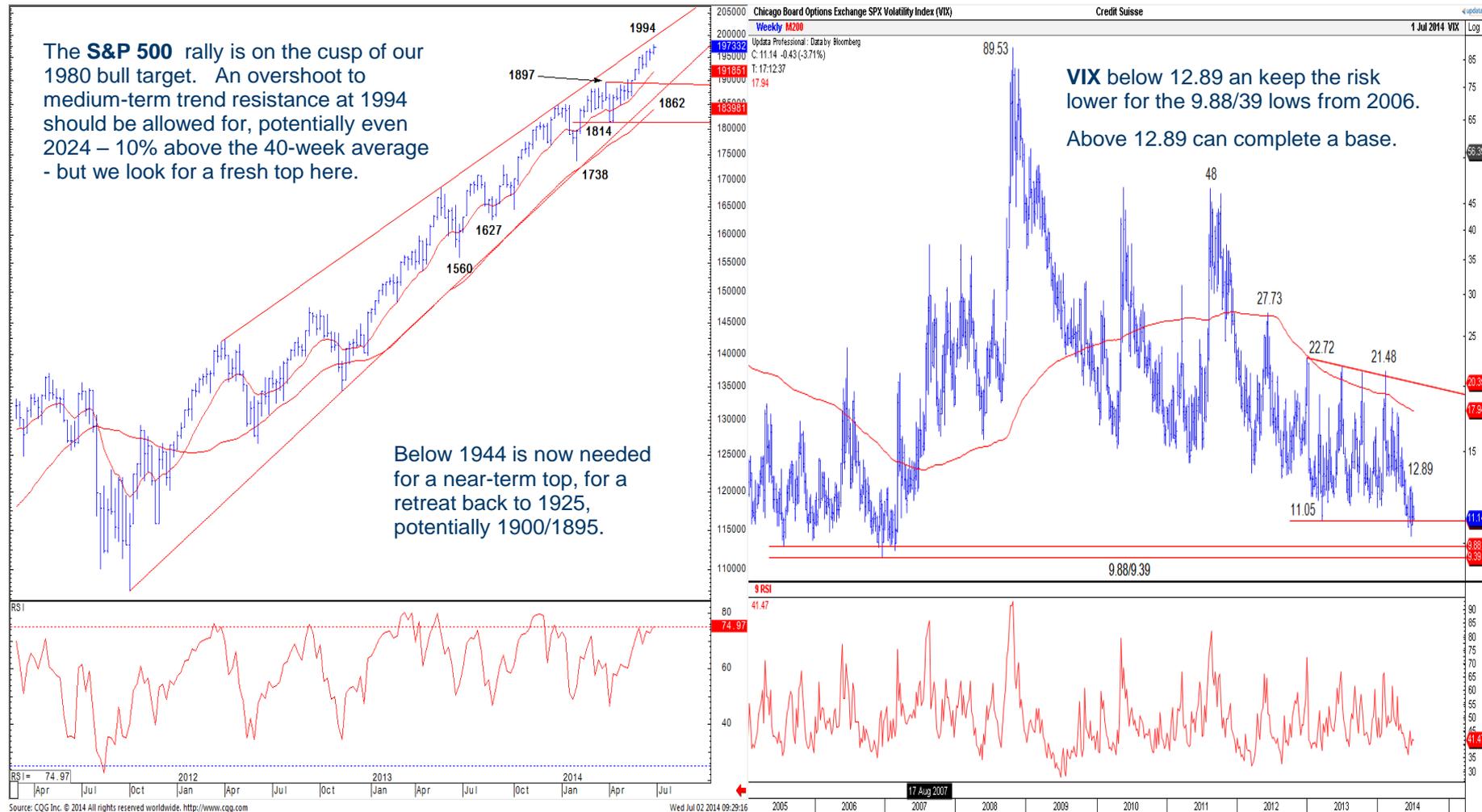
Source: CQG, Credit Suisse

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



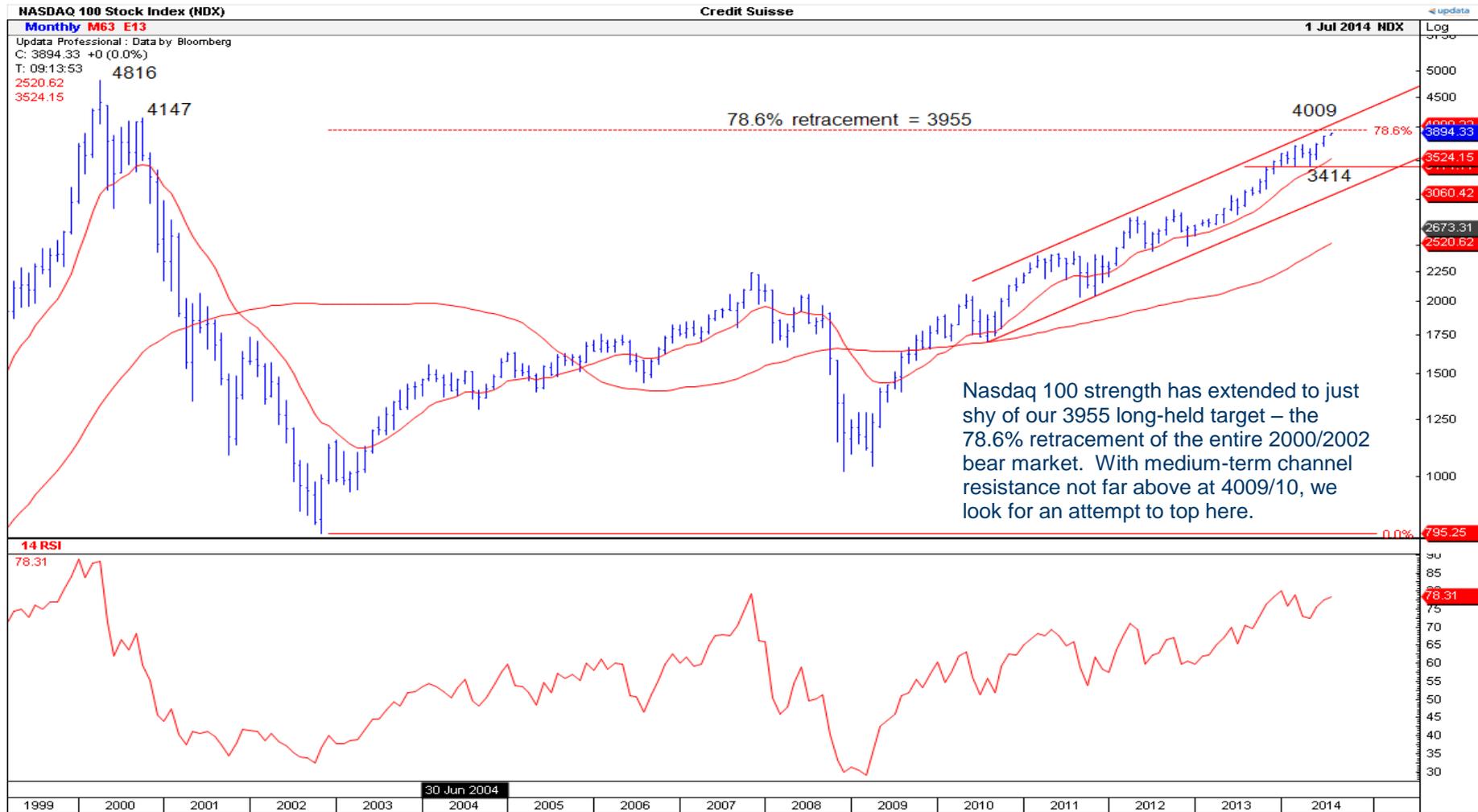
Source: CQG, Credit Suisse

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



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

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



Source: Uptada, 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



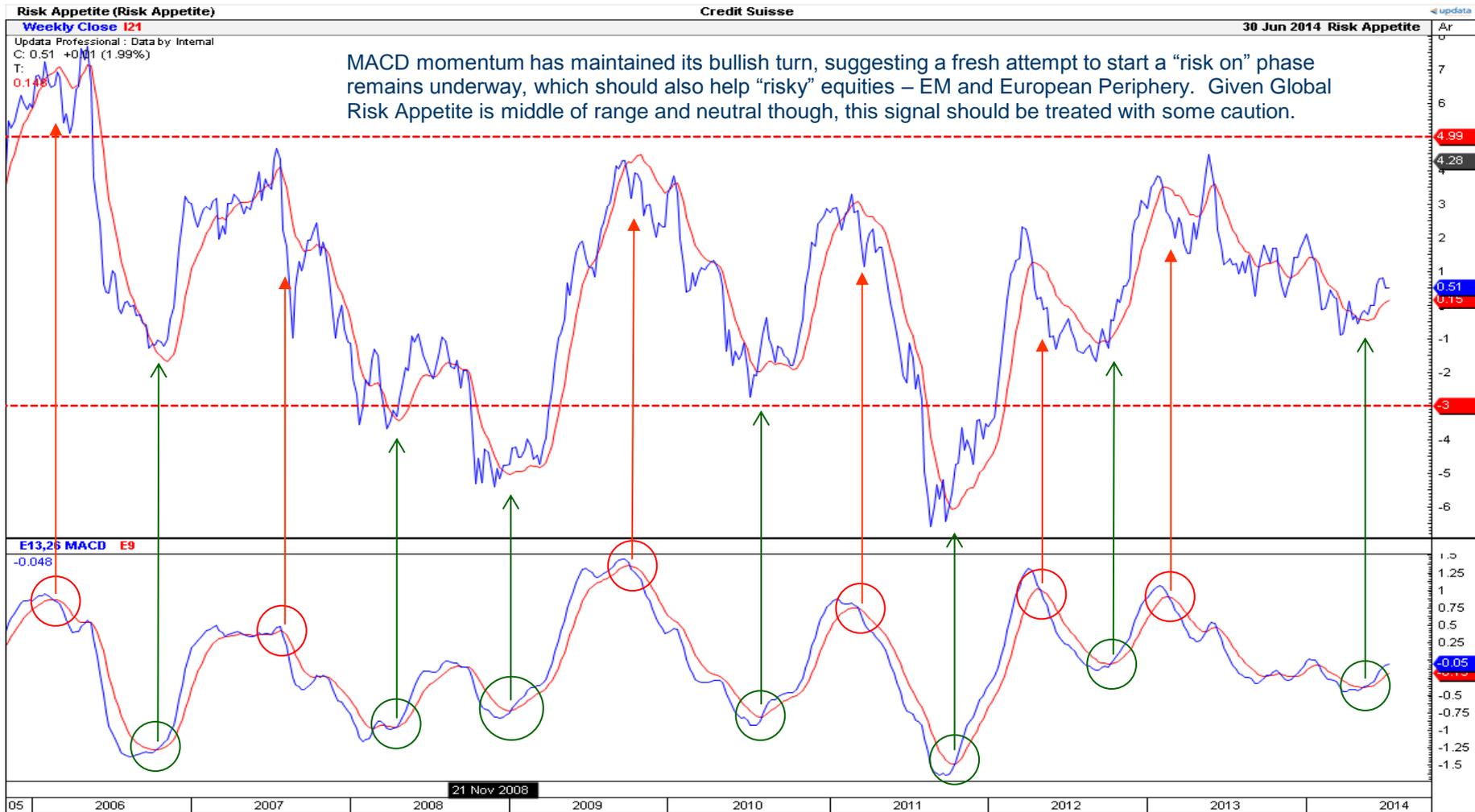
Source: Uptada, the BLOOMBERG PROFESSIONAL™ service, Credit Suisse

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



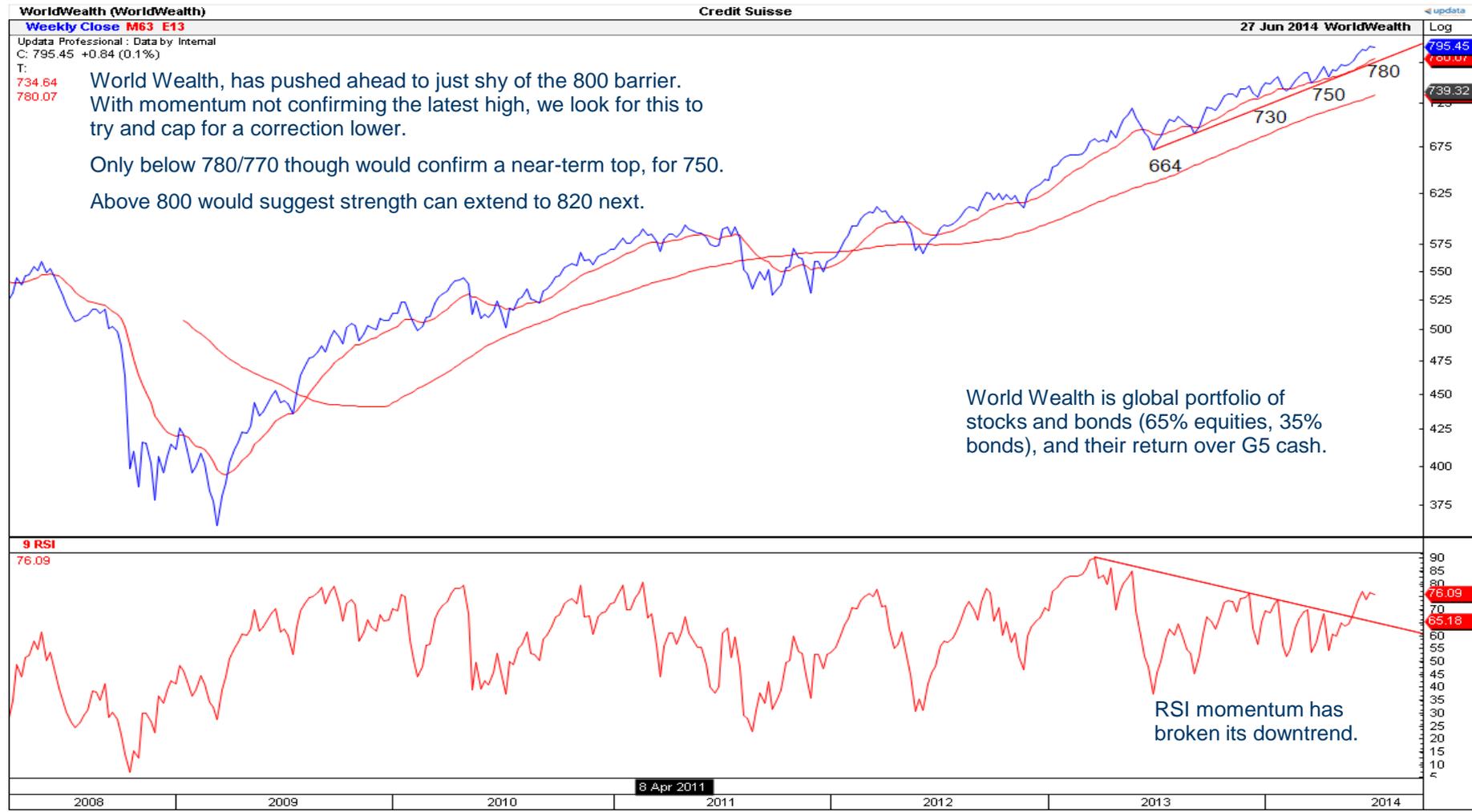
Other Core Themes & Charts

Global Risk Appetite momentum still trends up



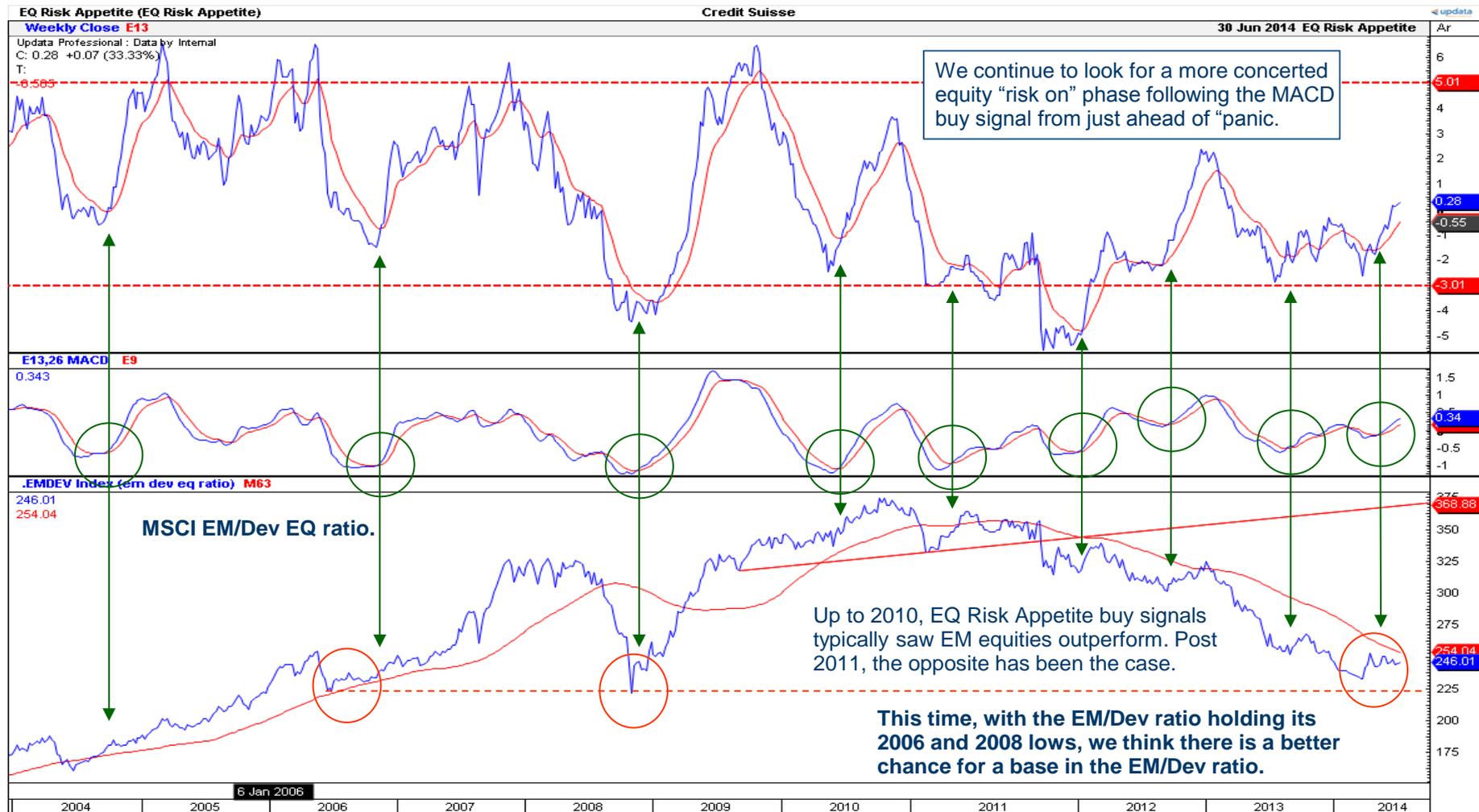
Source: Udata, Credit Suisse

World Wealth trend stays higher, but has lost momentum



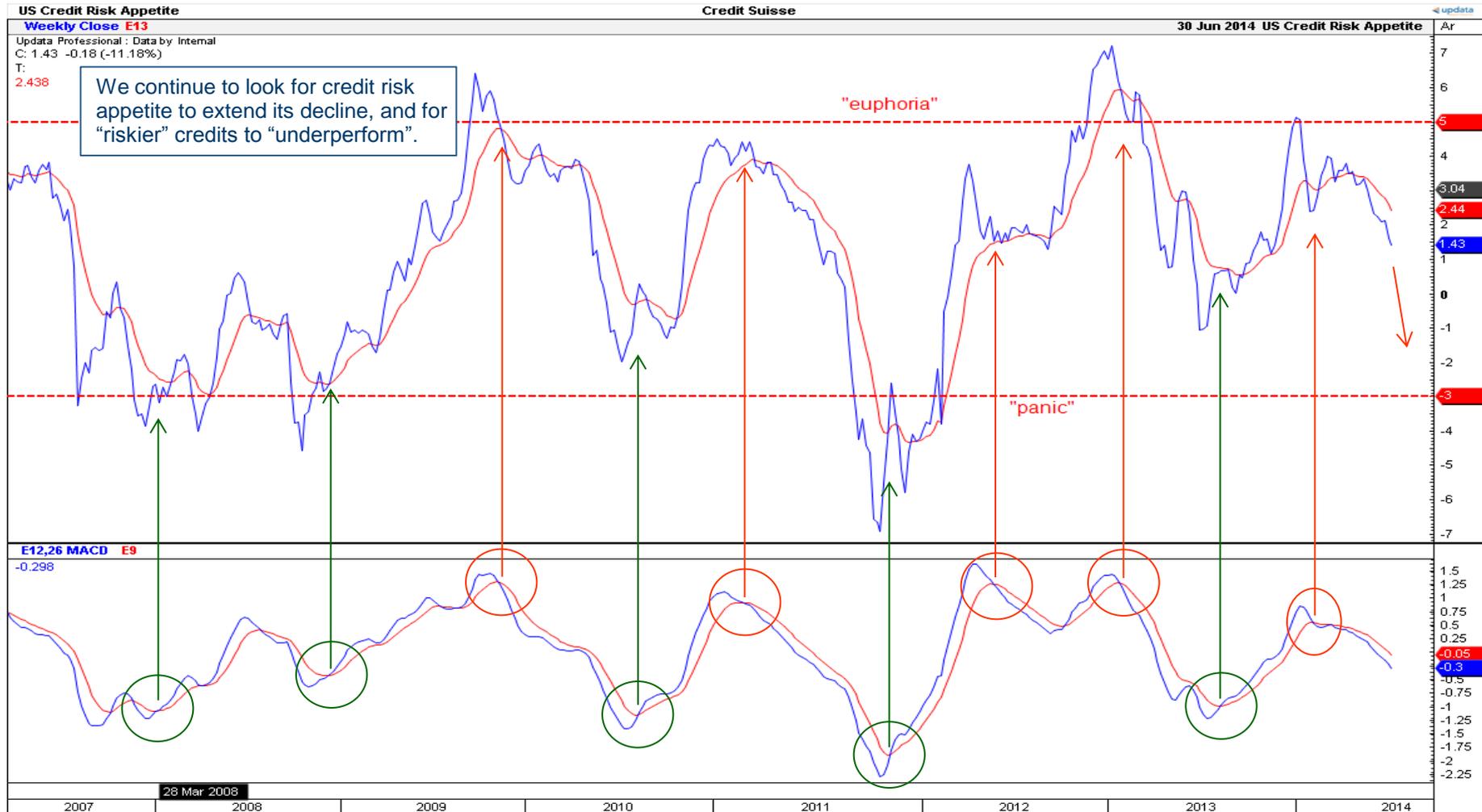
Source: Updata, Credit Suisse

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



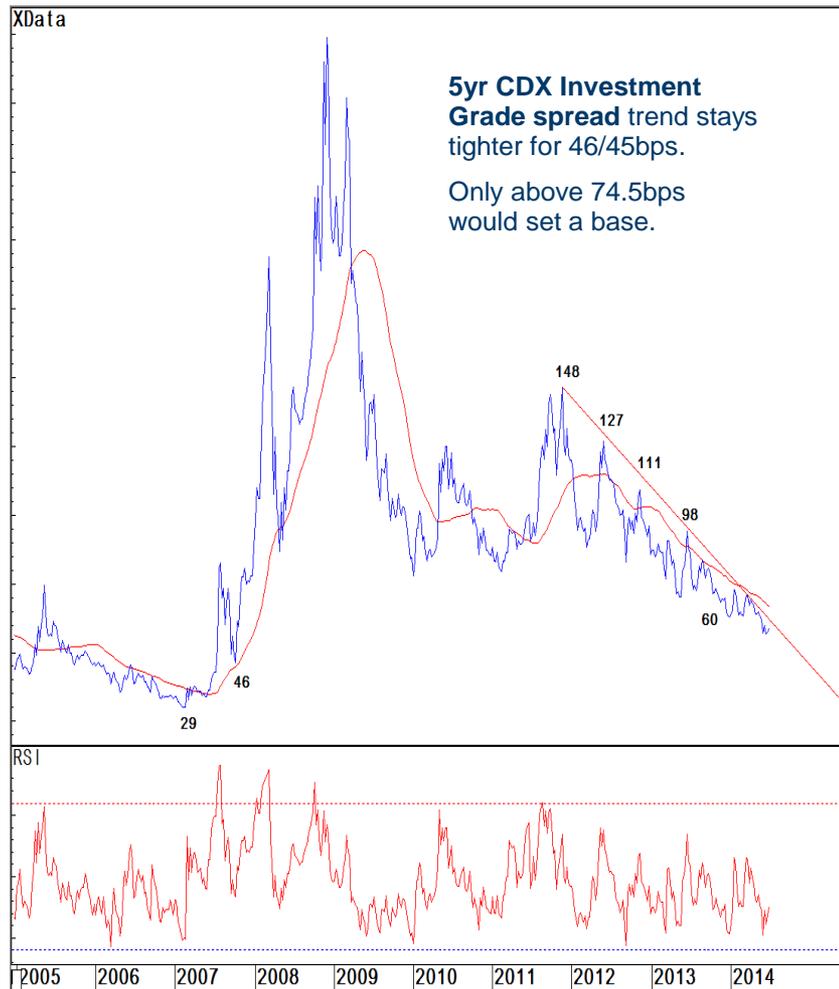
Source: Updata, Credit Suisse

US Credit Risk Appetite maintains its “sell” signal



Source: Updata, Credit Suisse

US IG & HY resume their medium-term tightening trends



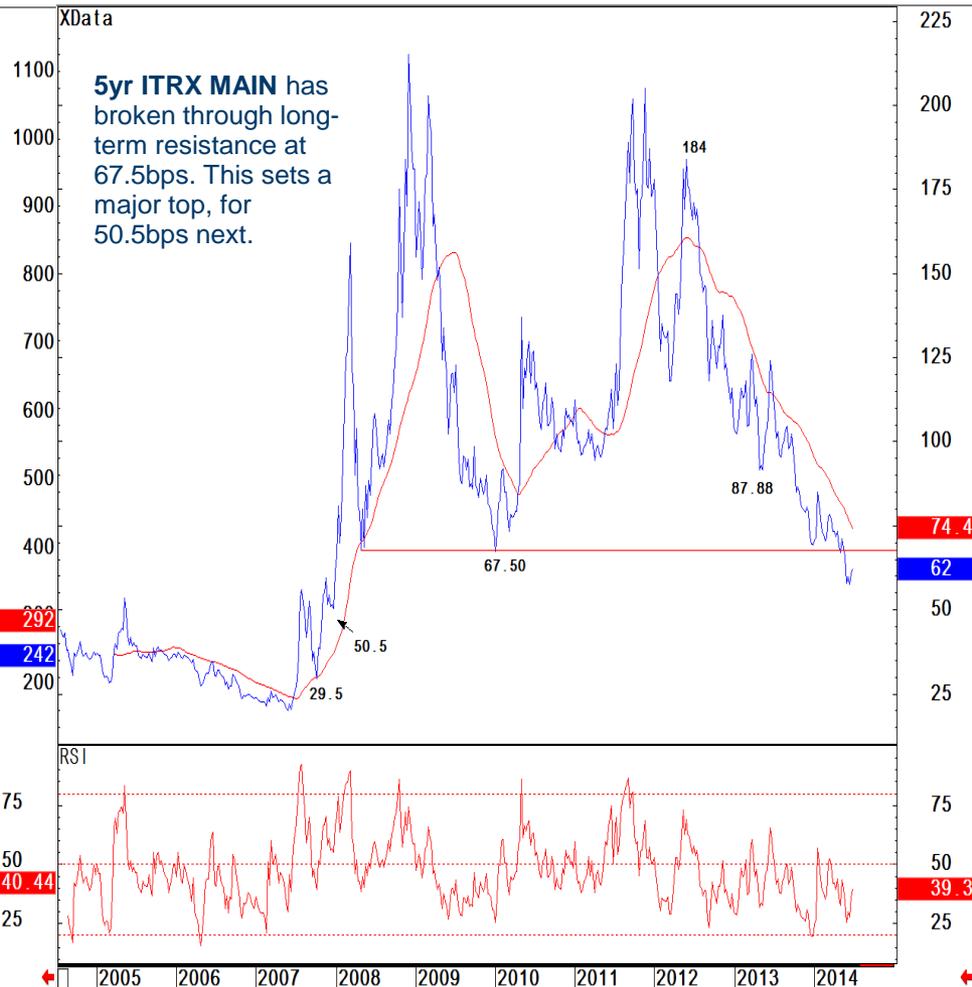
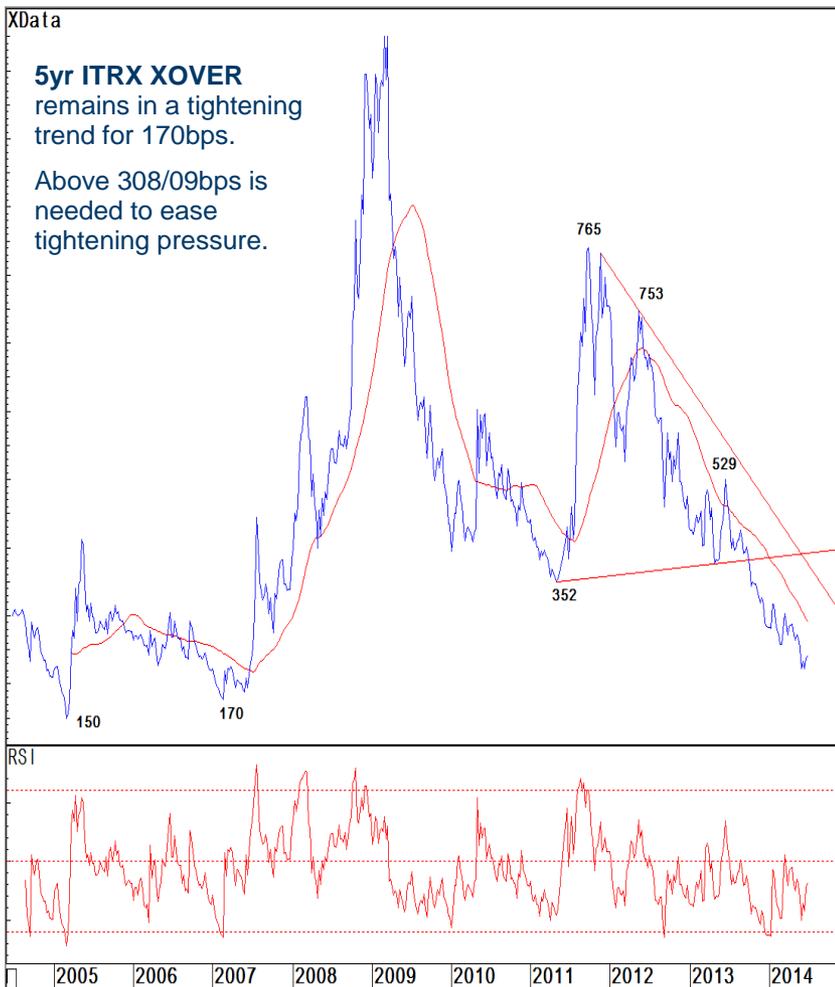
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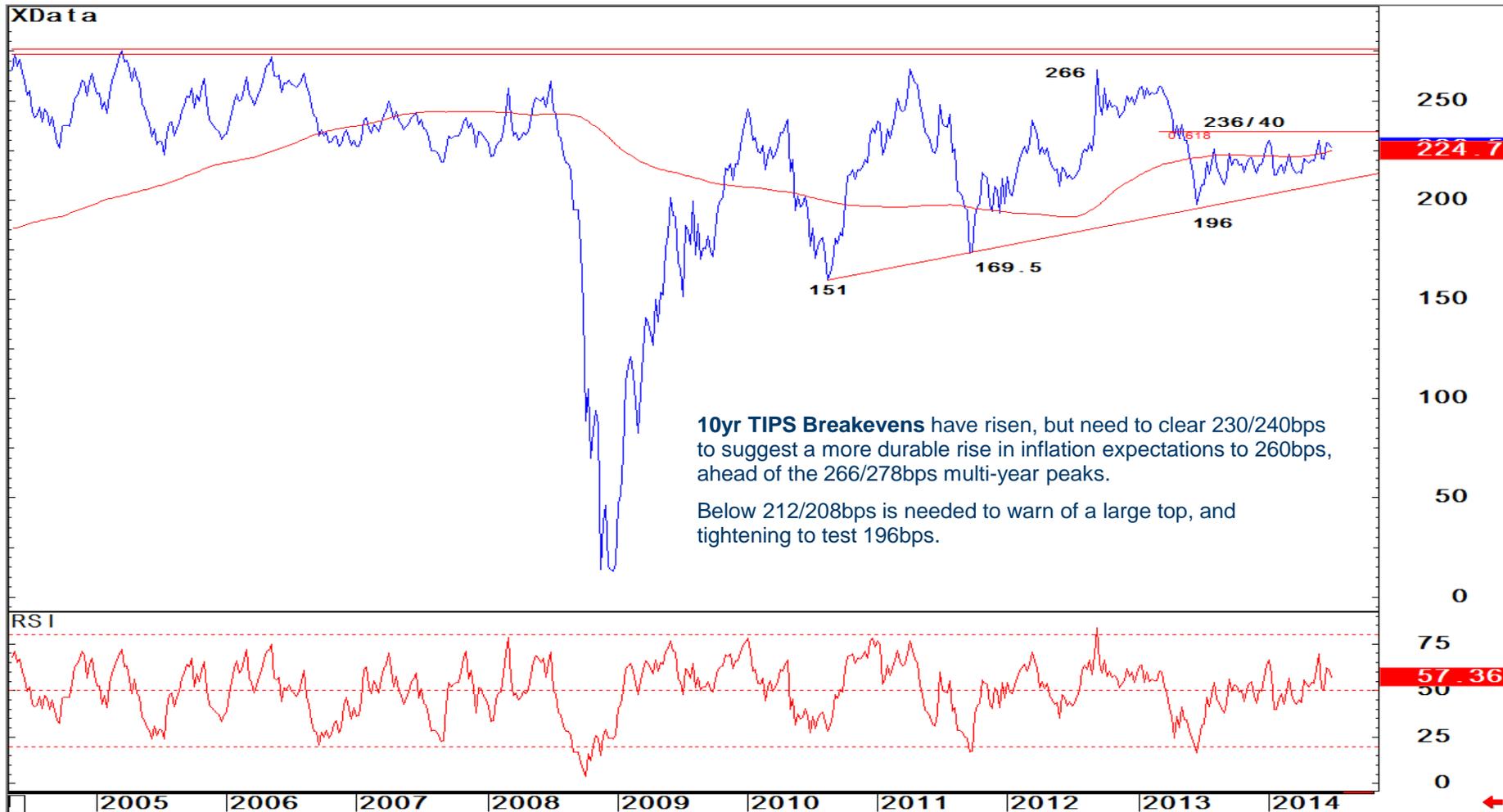
Source: CQG, Credit Suisse

EUR ITRX MAIN and XOVER remains in tightening trends.



Source: CQG, Credit Suisse

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

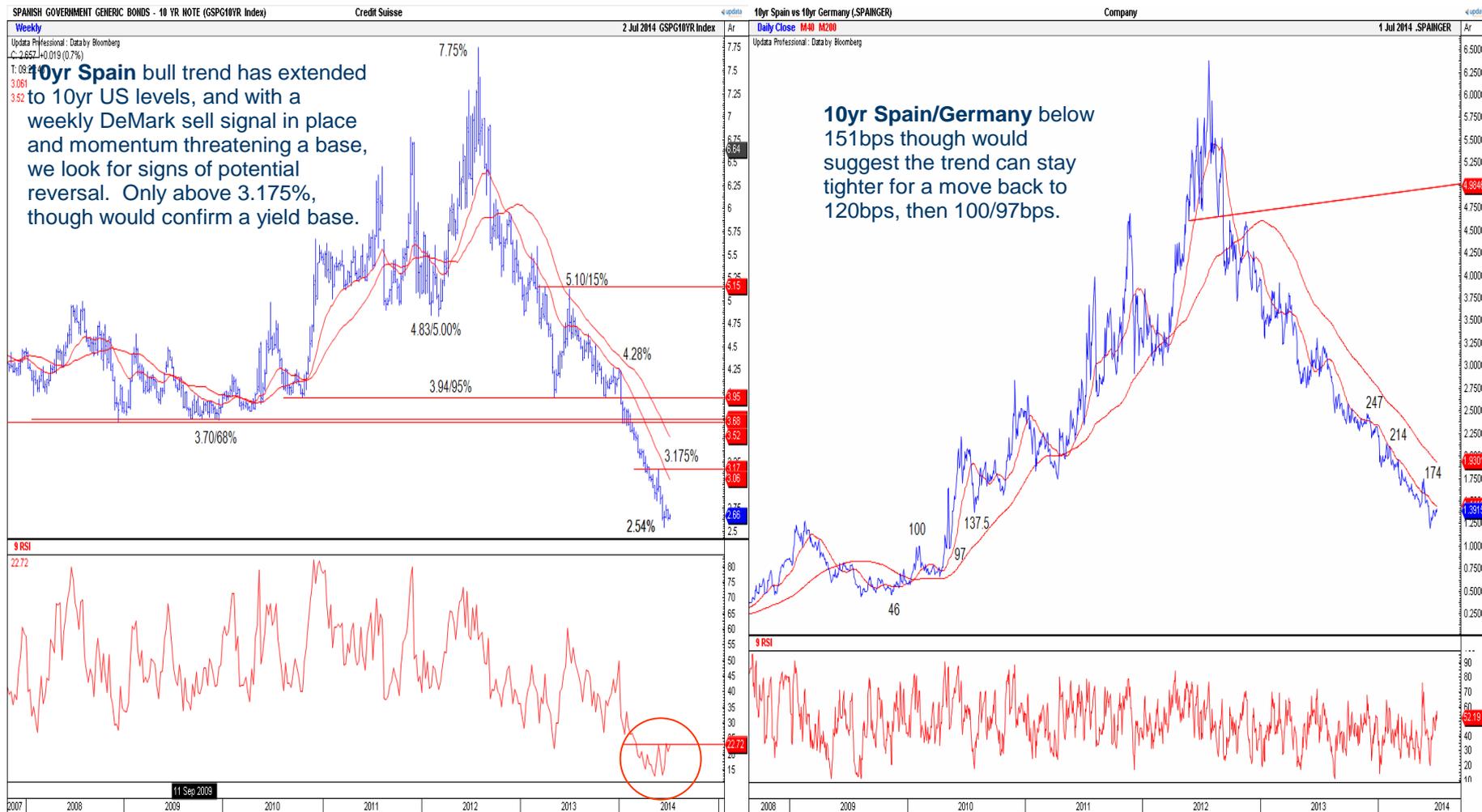


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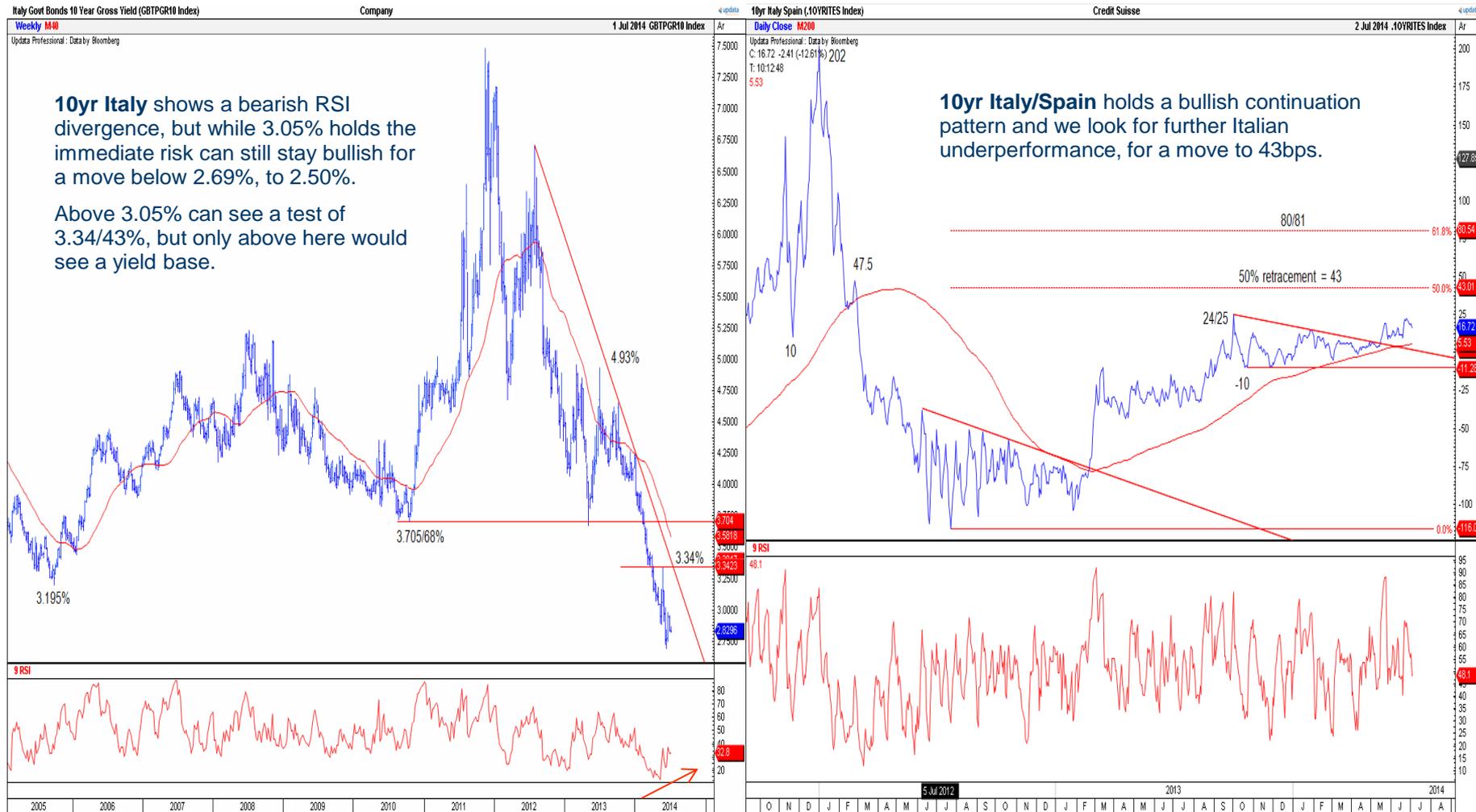
Source: CQG, Credit Suisse

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



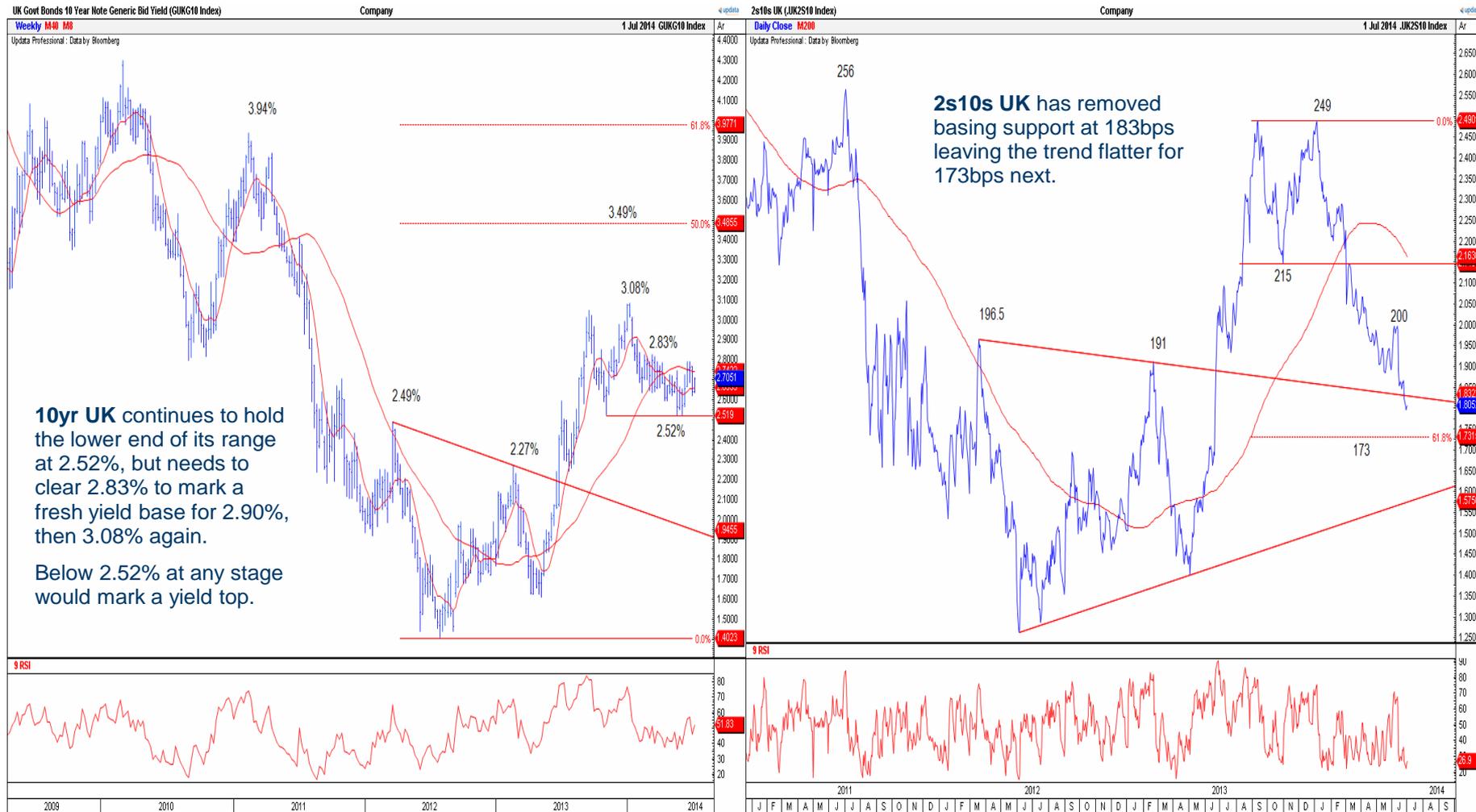
Source: Uptdata, the BLOOMBERG PROFESSIONAL™ service, Credit Suisse

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



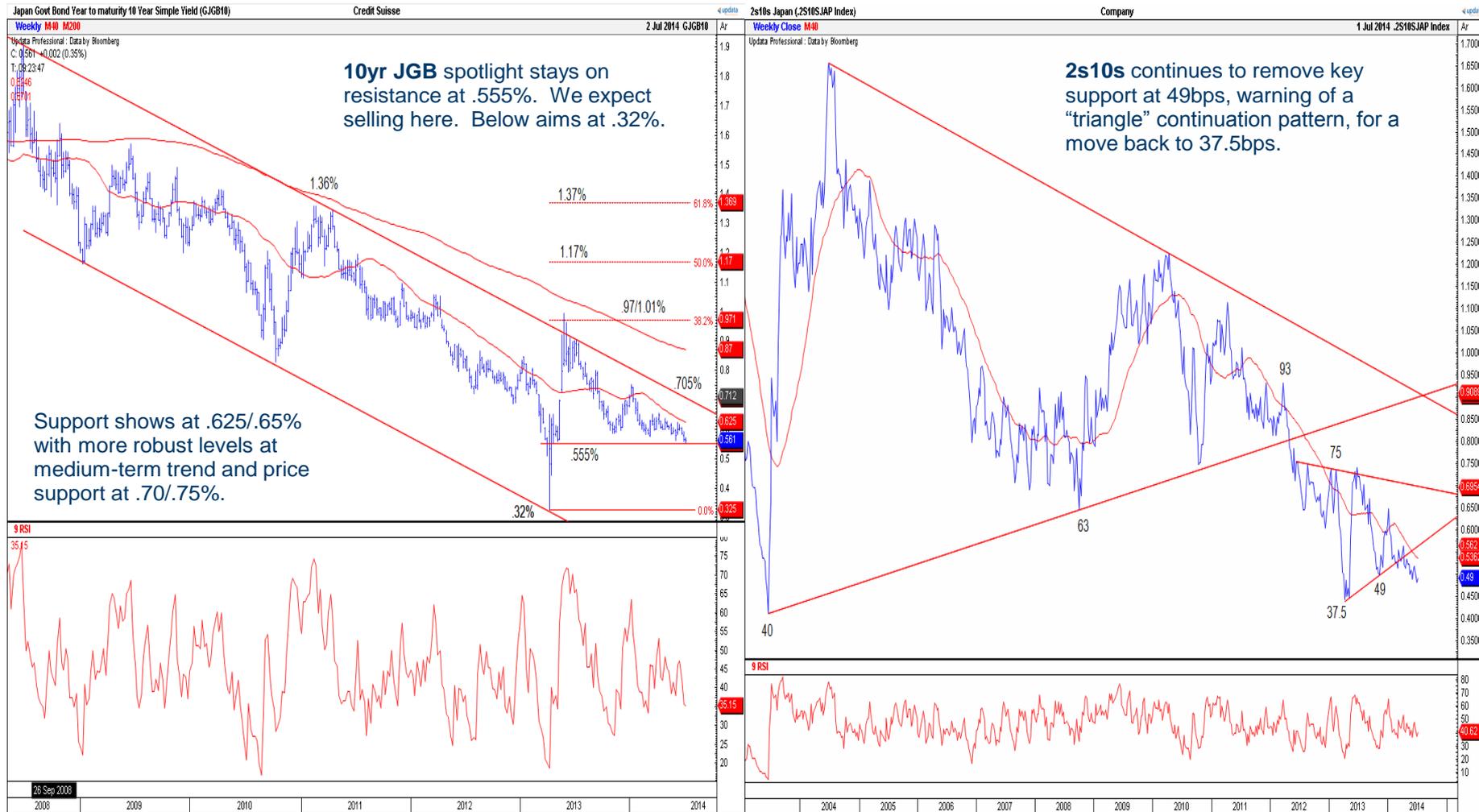
Source: Uptada, the BLOOMBERG PROFESSIONAL™ service, CQG, Credit Suisse

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



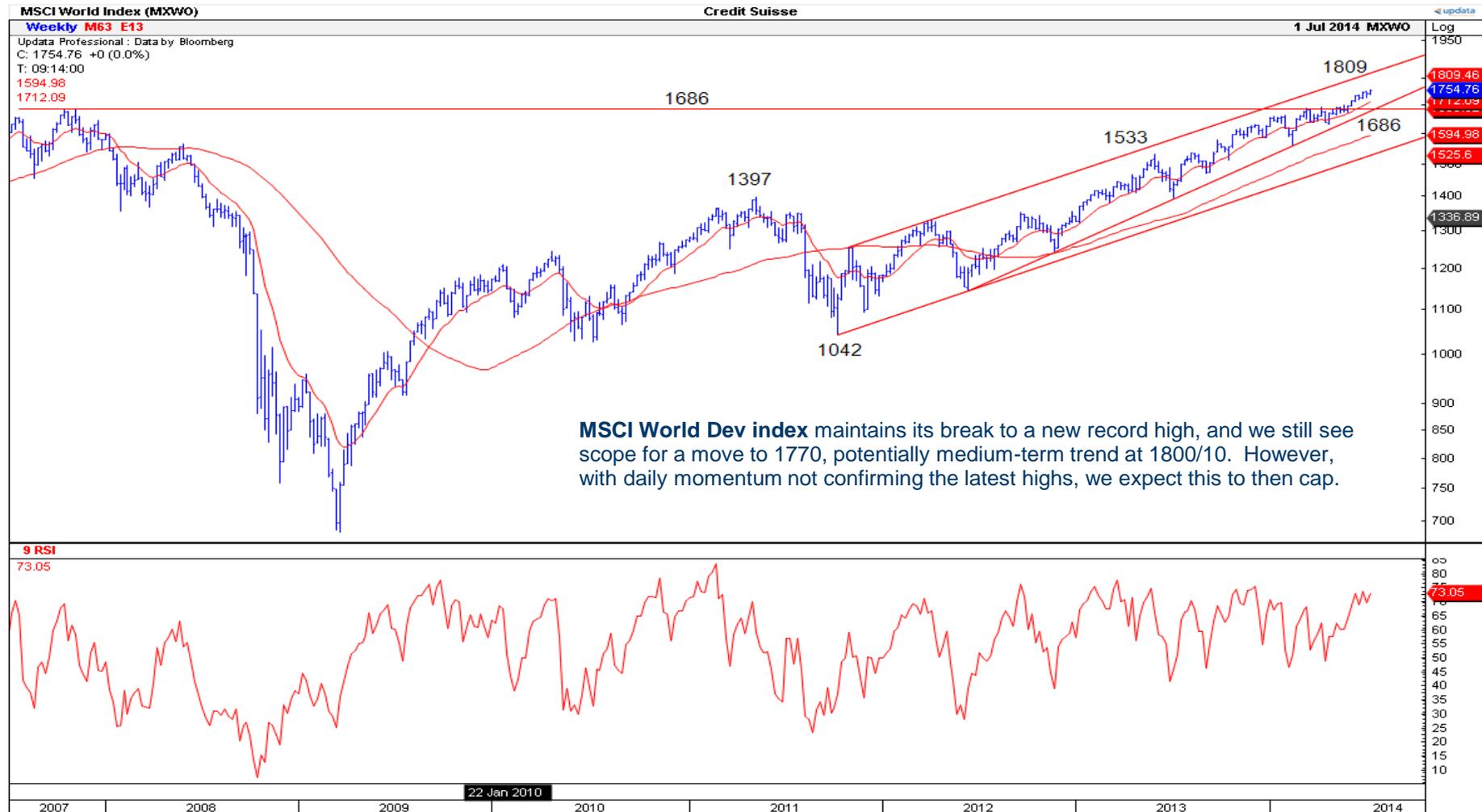
Source: Uptada, the BLOOMBERG PROFESSIONAL™ service, Credit Suisse

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



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



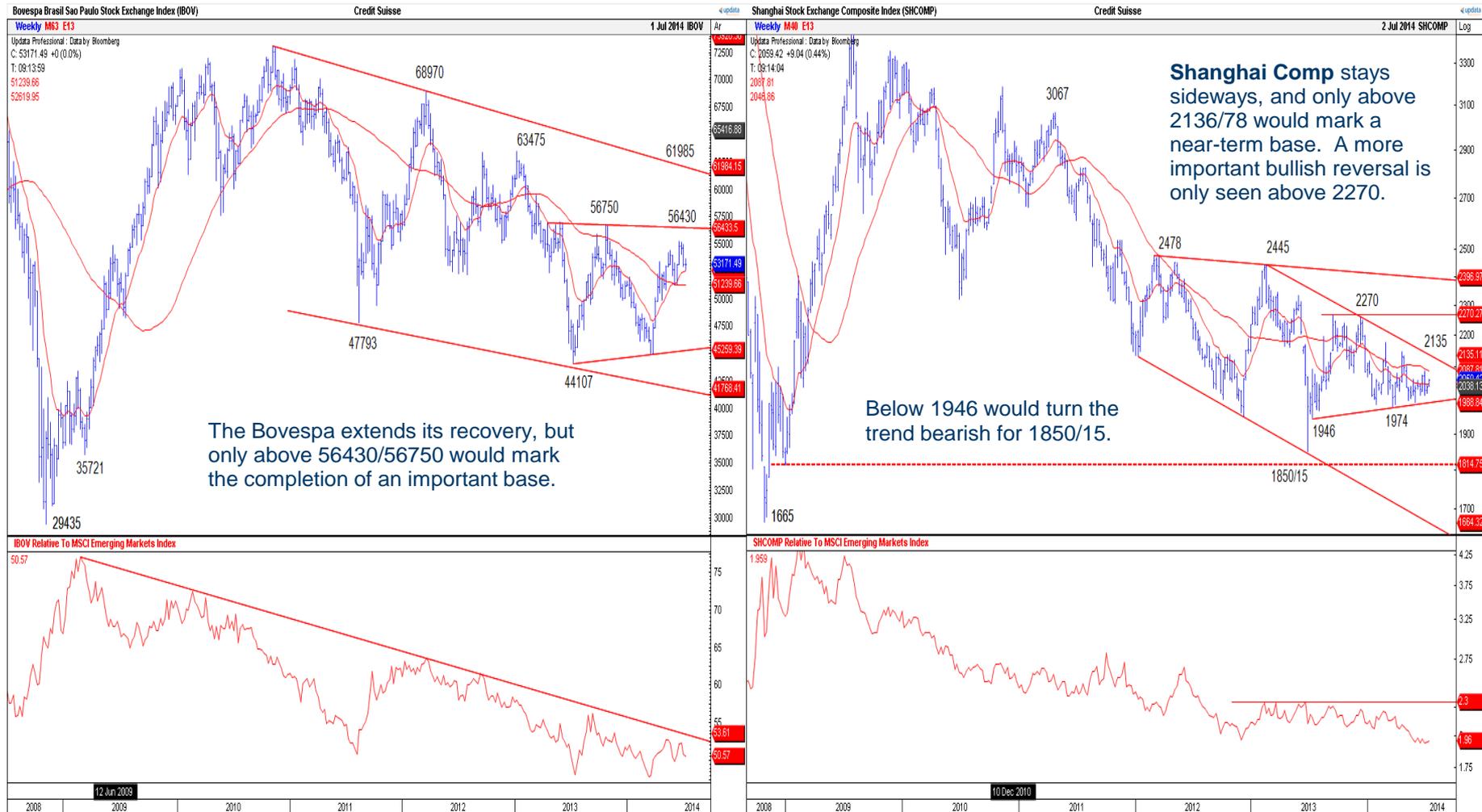
Source: CQG, Credit Suisse

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



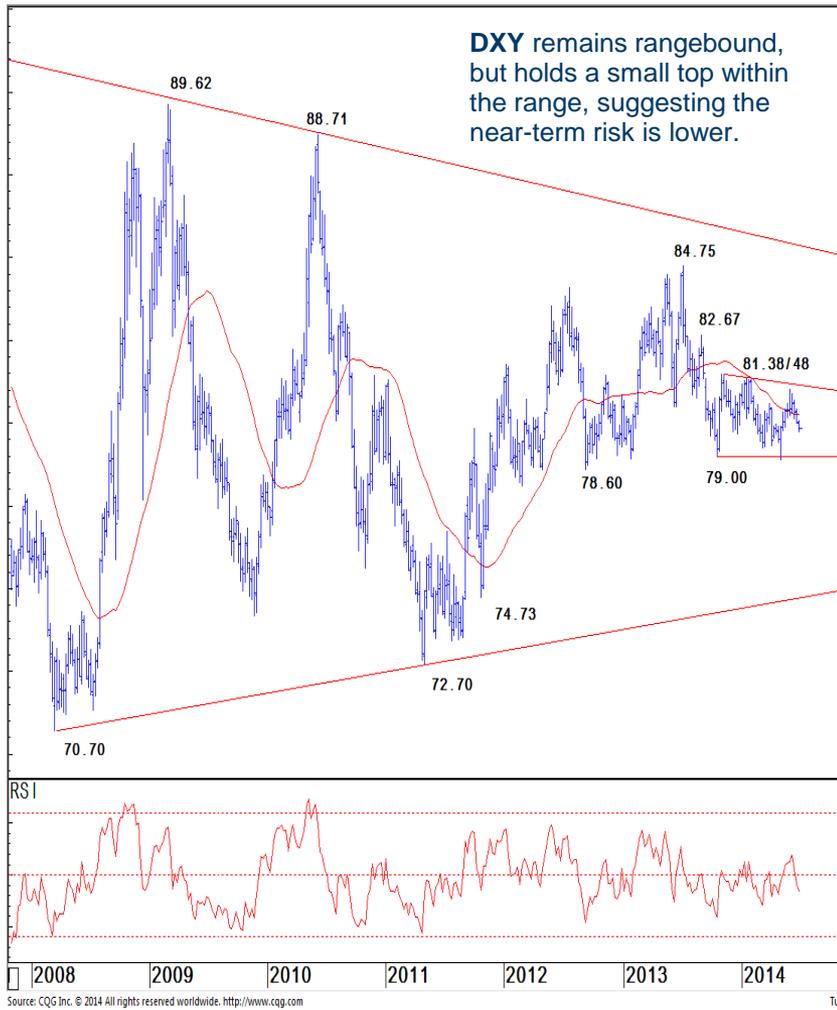
Source: Uptada, the BLOOMBERG PROFESSIONAL™ service, Credit Suisse

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



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

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

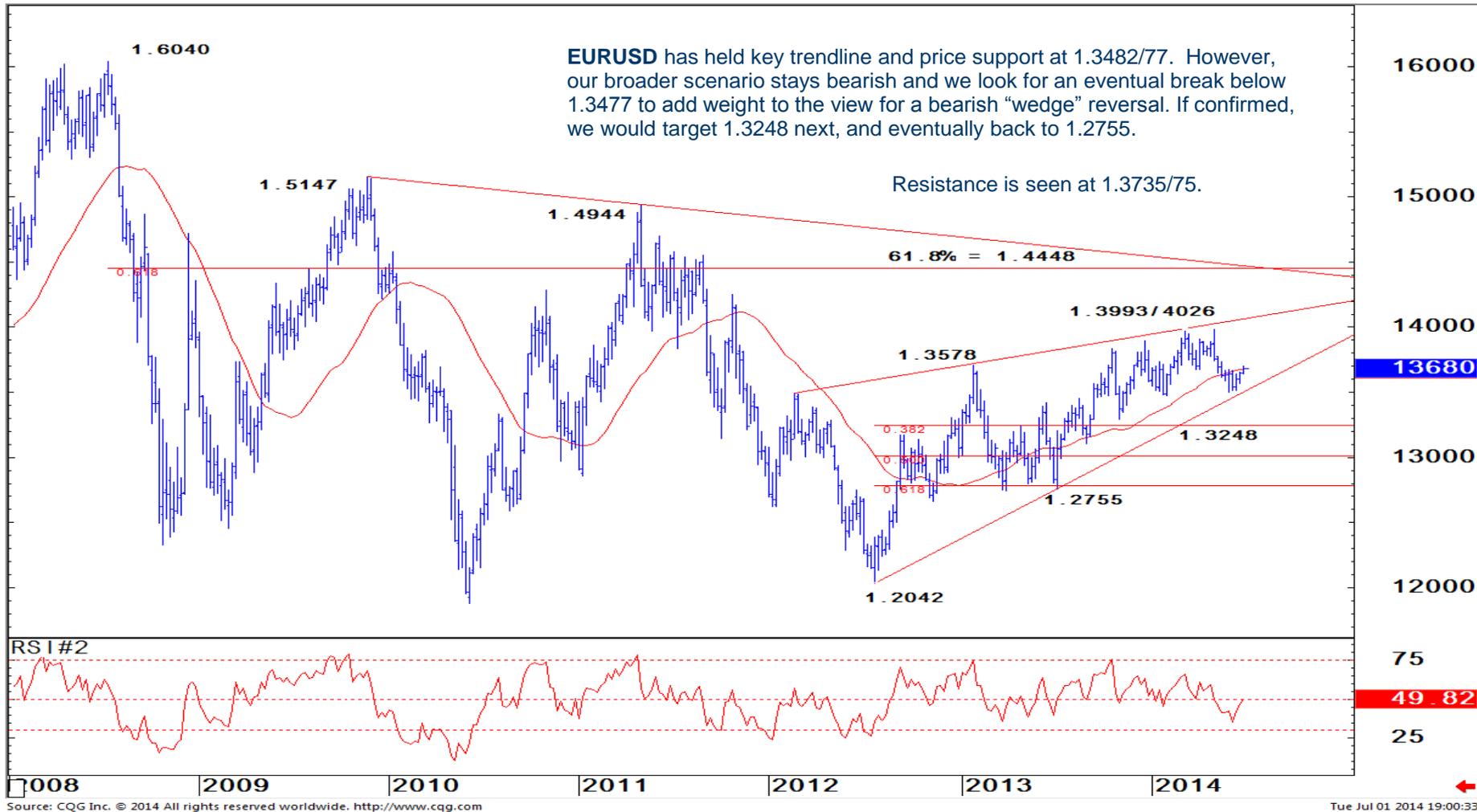


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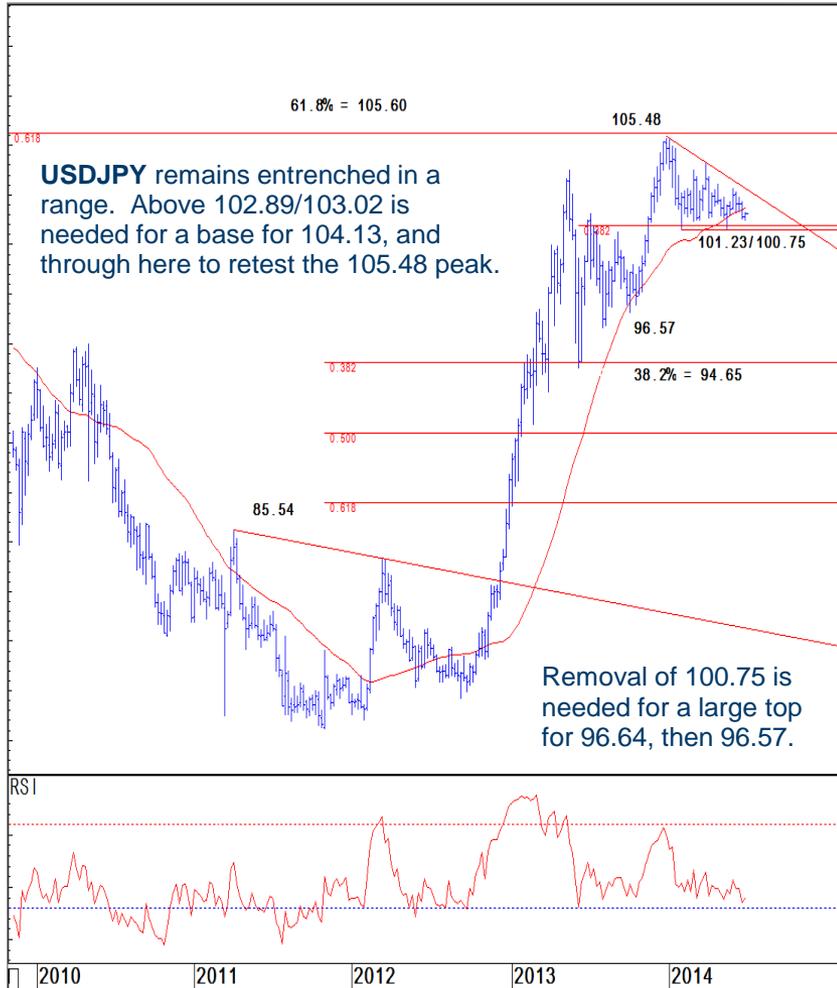


Source: Uptada, the BLOOMBERG PROFESSIONAL™ service, CQG, Credit Suisse

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



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



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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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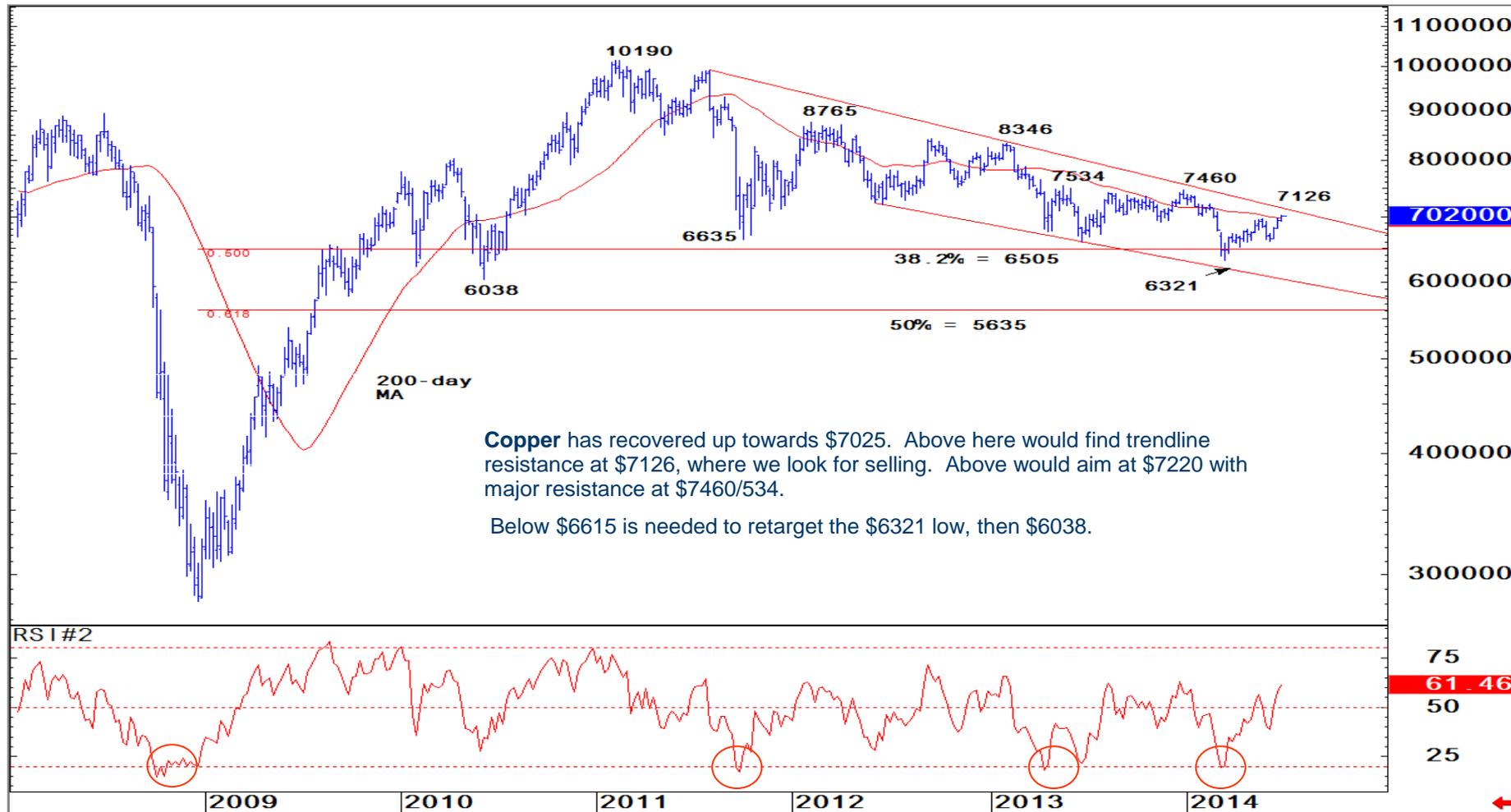
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Source: CQG, Credit Suisse

Gold remains in a broad sideways range



Copper extends its recovery



Copper has recovered up towards \$7025. Above here would find trendline resistance at \$7126, where we look for selling. Above would aim at \$7220 with major resistance at \$7460/534.

Below \$6615 is needed to retarget the \$6321 low, then \$6038.

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Source: CQG, Credit Suisse

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



WTI above \$105.22 targets the top end of the broad sideways range at \$111.30/112.24, which we look to cap.

Above \$112.24 is needed to stage a more significant bullish breakout, for \$114.83.

Below \$97.37 targets \$91.24.

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Underperform	23%	(of which 73% are banking clients)
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