6.19.2012

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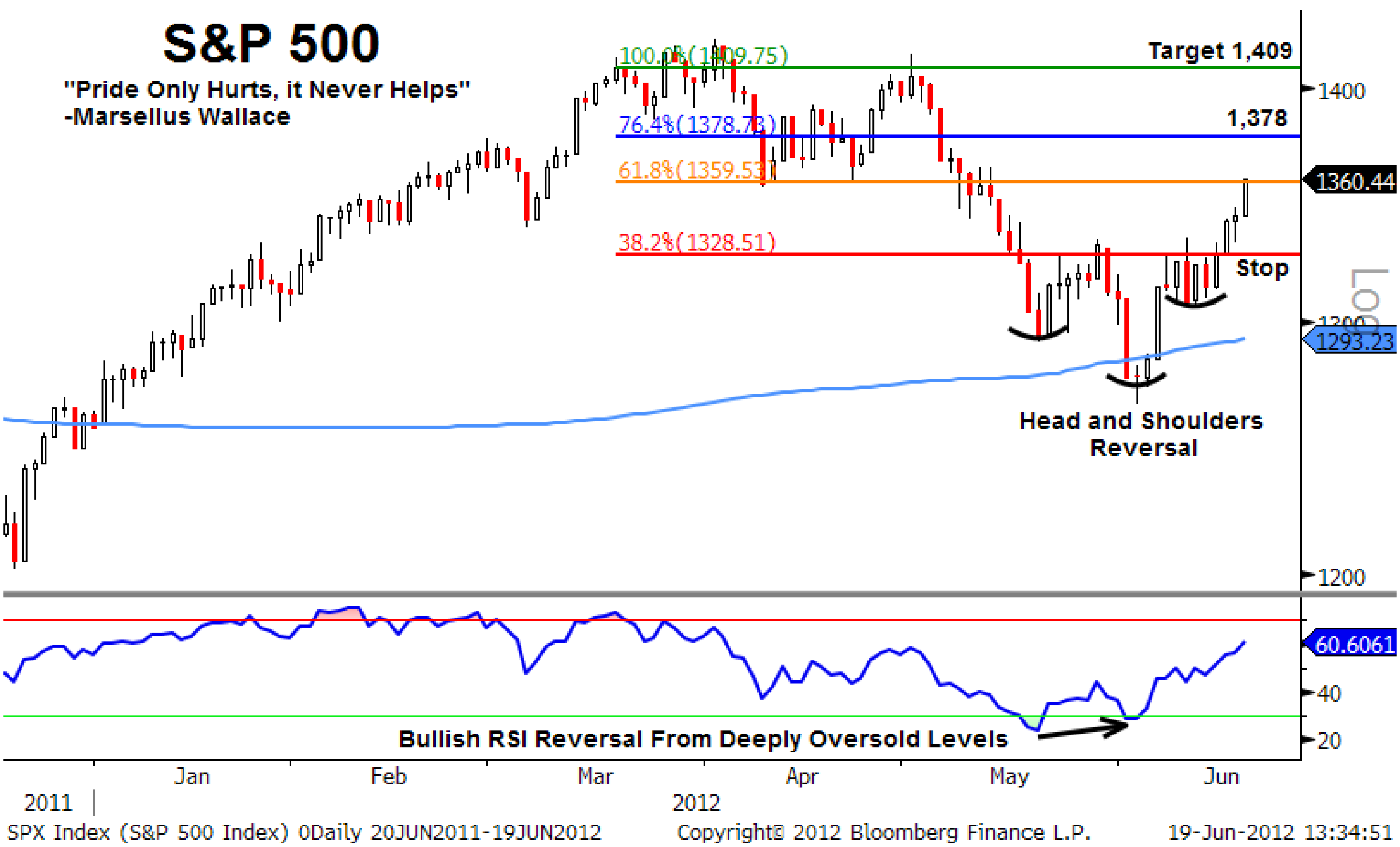
“Do Not Fade the Rally, Trade the Rally”

S&P 500, Euro, EUR/JPY, DXY, JPY, AUD, NZD CAD, MXN, SEK, NOK, RUB, BRL, CRB, WTI Crude, Brent Crude, Copper, Gold, Silver, XAU, FCX, Sugar, Cotton, MSCI EM Index, Brazil, Russia, Mexico, Canada, Turkey, India, Korea, Indonesia, HSCEI, Hang Seng, Nikkei, TOPIX, Egypt, Saudi Arabia, Euro STOXX 50, Euro STOXX 600 Banks, Germany, UK, France, Spain, Nordic 30, Switzerland, WIG 20, Greece

Our macro technical work continues to suggest that risky assets remain in the sweet spot of a highly tradable global advance with considerable upside from current levels, and we implore you to fight the temptation to “fade this rally.” Furthermore; the powerful price action, burgeoning momentum, absence of overhead resistance and textbook technical reversal in equities; all strongly suggests that a new cyclical Bull trend has commenced. Finally, the dollar’s demeanor remains decidedly dour and we remain aggressive sellers against all comers. At its core, technical analysis is based upon three main tenets: 1) Prices trend, 2) History repeats itself, and 3) Price discounts everything. Rarely do all three align with such precision as exists today. Do not fade the rally, trade the rally.



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Euro

The charts have turned and the Euro continues to display the textbook signs of a highly tradable advance. The absence of overhead resistance and strong momentum trends (RSI, MACD) should be enough to propel the Euro to a test of our initial 1.3052 target.

EUR/JPY

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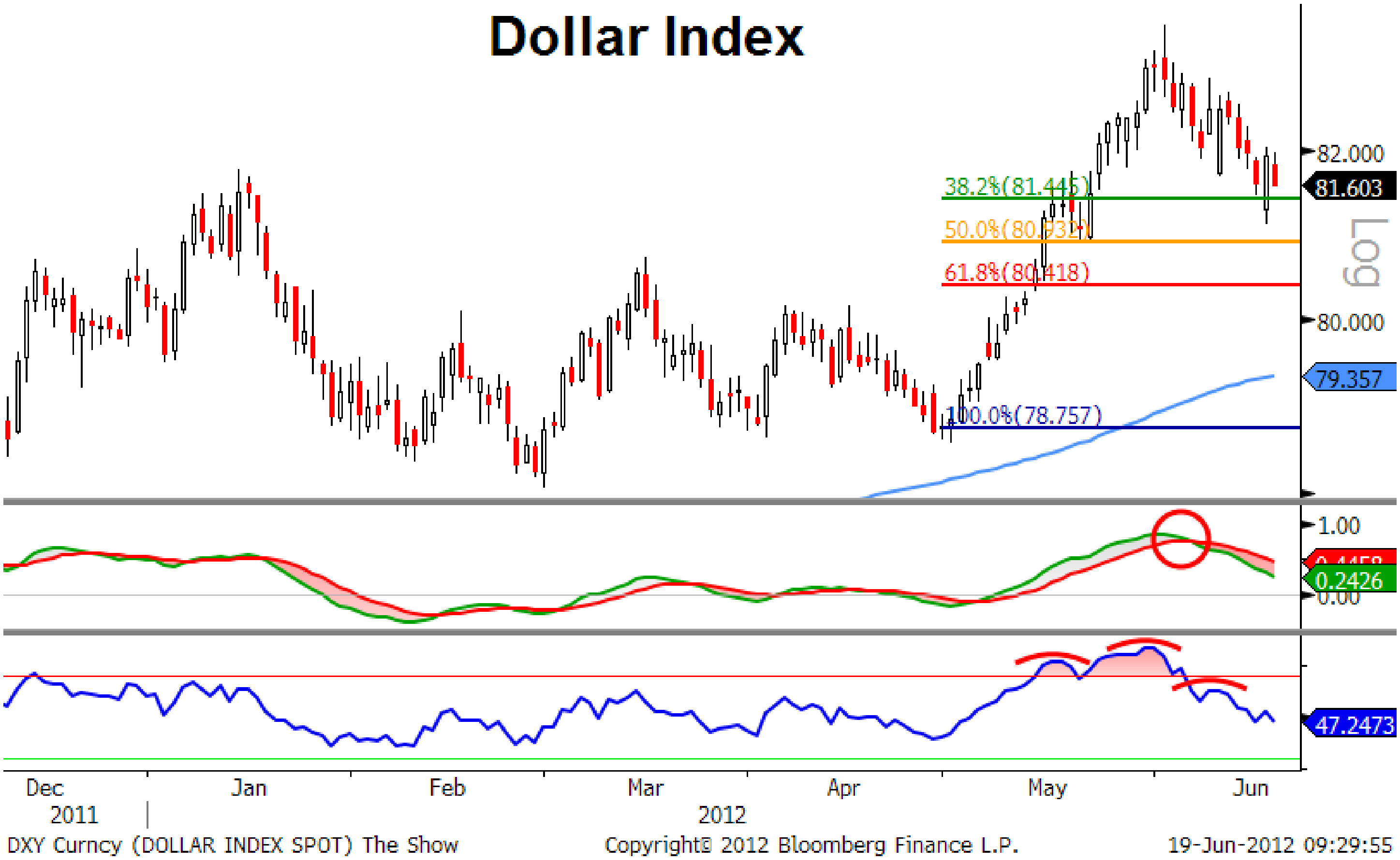

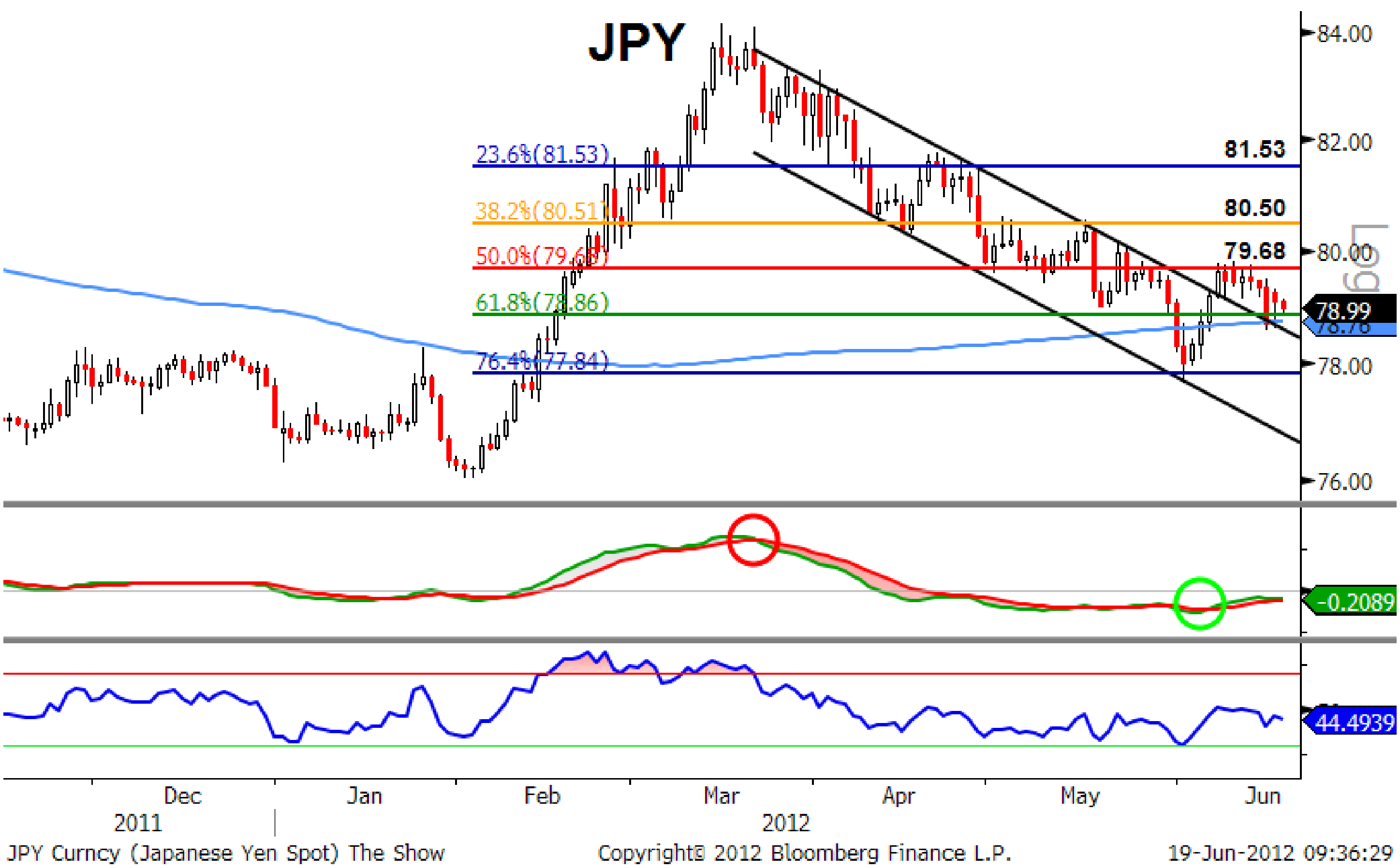

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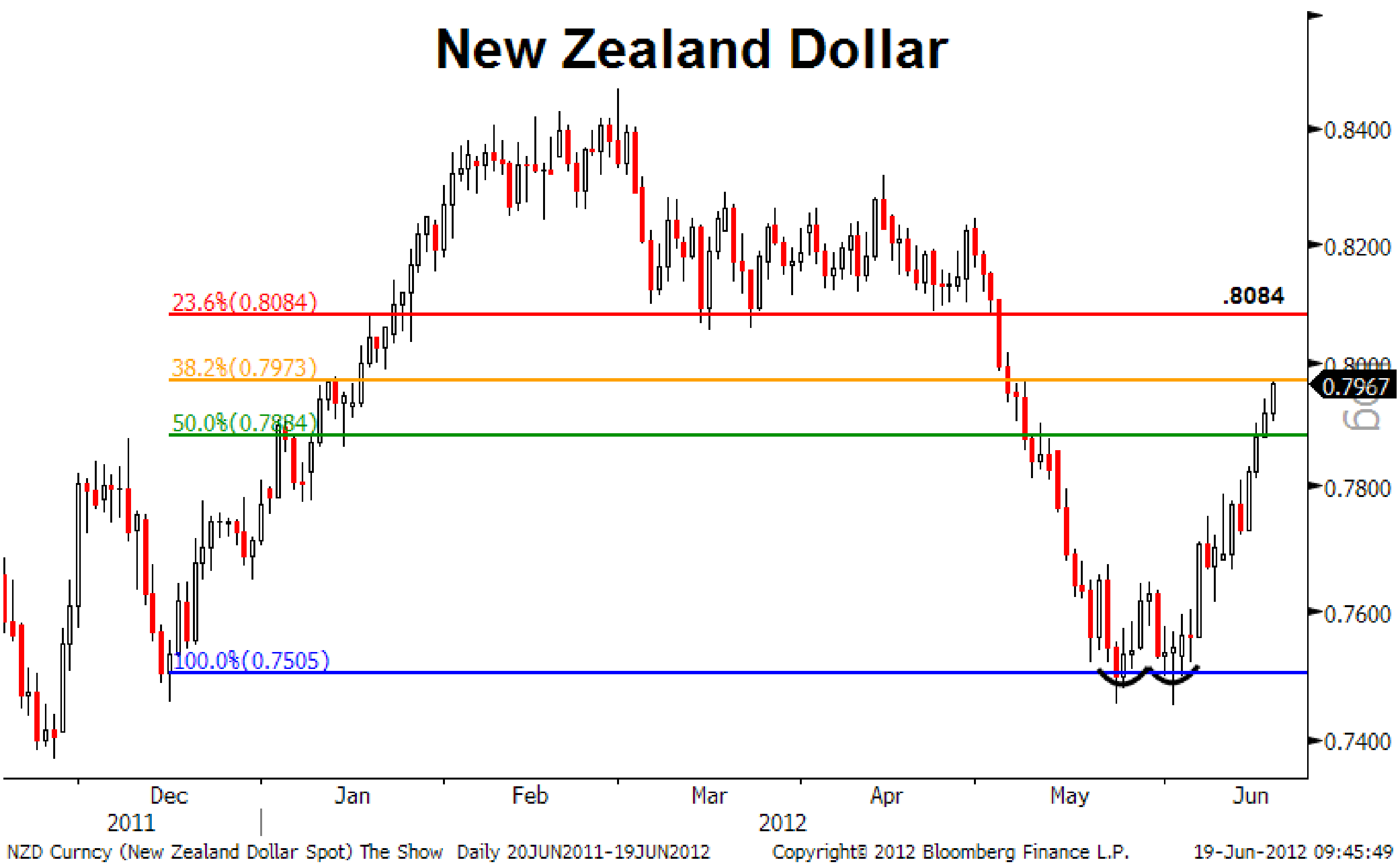

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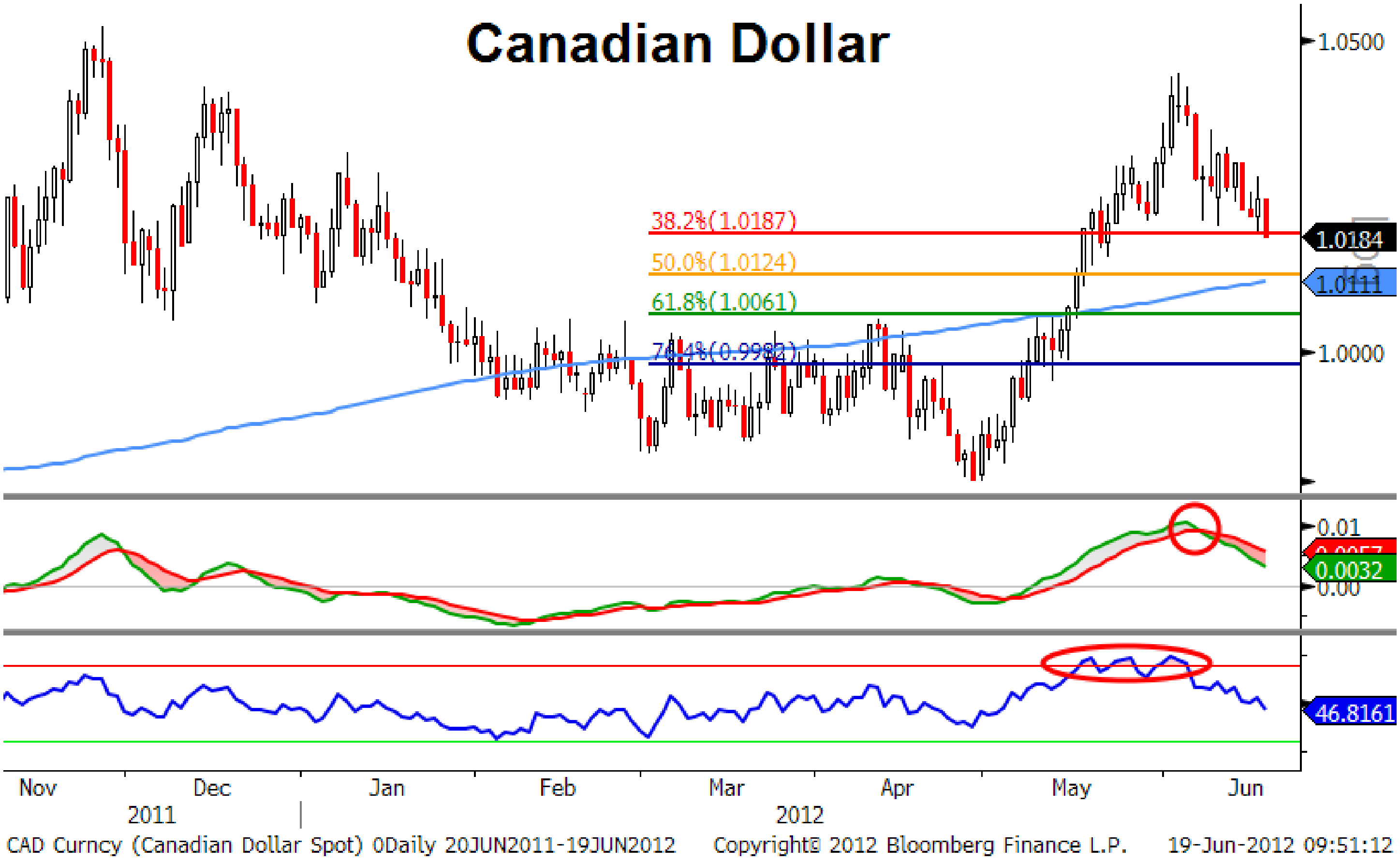

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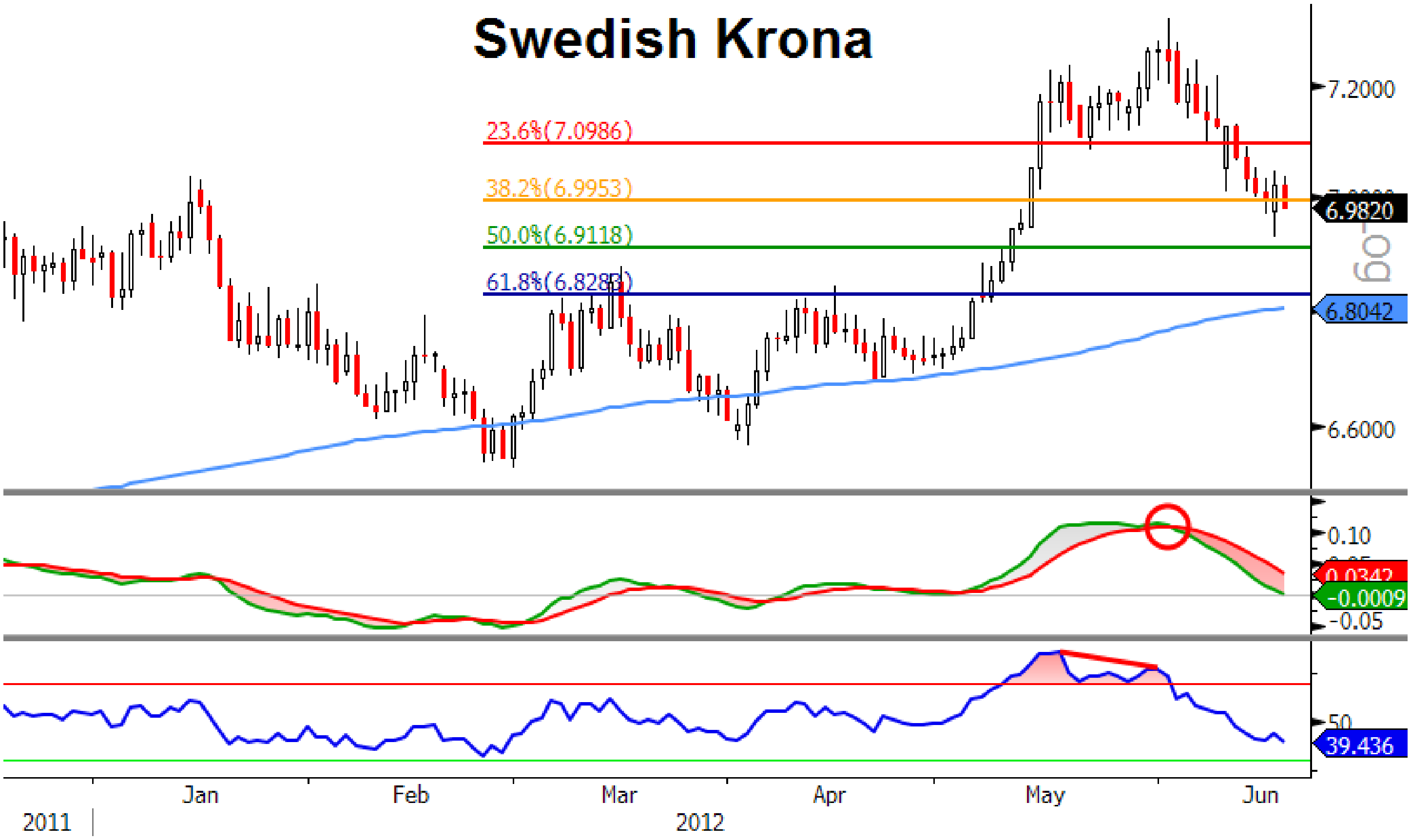
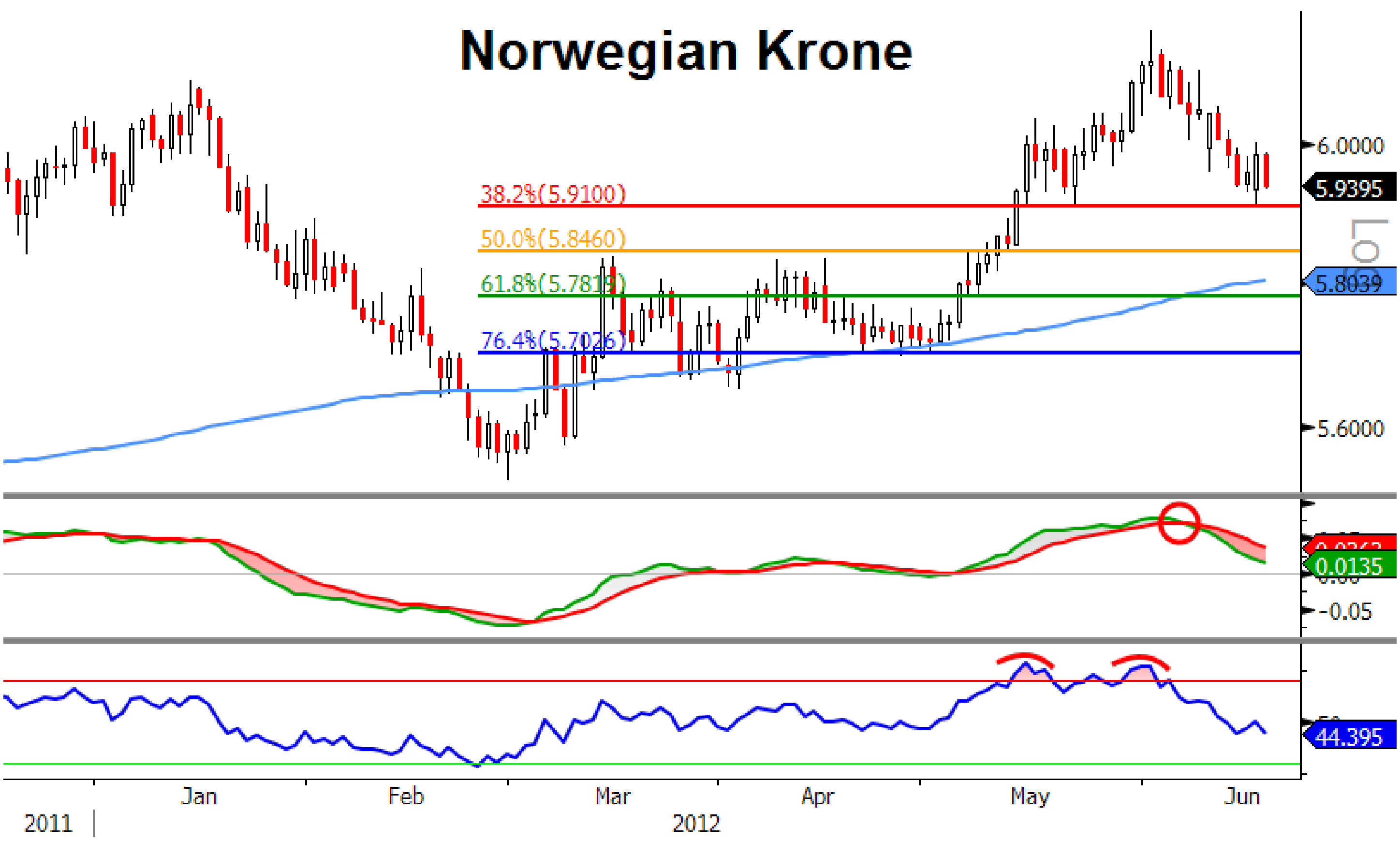
Swedish Krona



SEK Curncy (Swedish Krona Spot) The Show Copyright© 2012 Bloomberg Finance L.P. 19-Jun-2012 10:03:32

Norwegian Krone



NOK Curncy (Norwegian Krone Spot) The Show Copyright© 2012 Bloomberg Finance L.P. 19-Jun-2012 10:06:04

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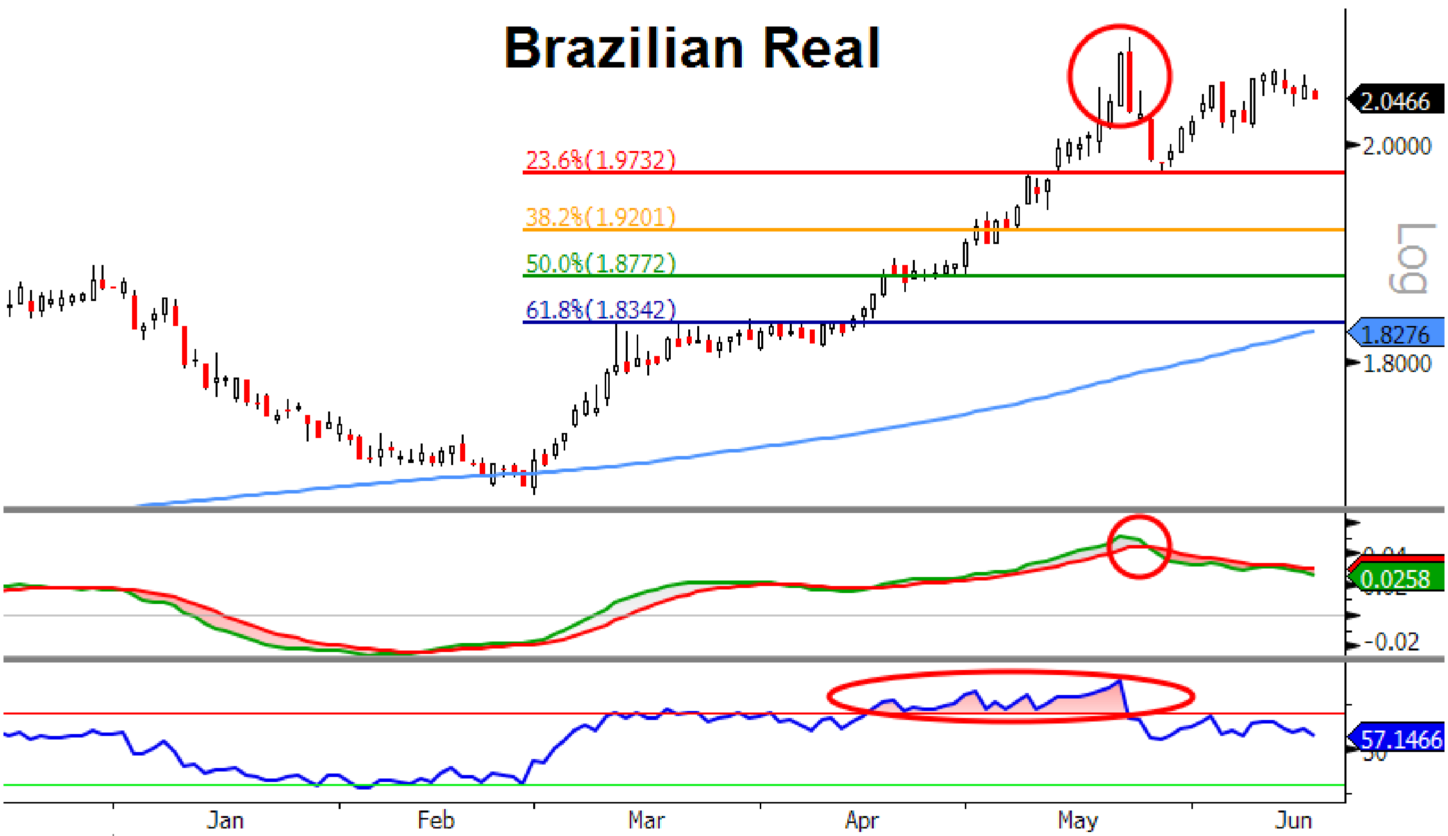
Russian Ruble

RUB Curncy (Russian Ruble Spot) The Show Copyright© 2012 Bloomberg Finance L.P. 19-Jun-2012 10:08:40

Brazilian Real



BRL Curncy (Brazilian Real Spot) The Show Copyright© 2012 Bloomberg Finance L.P. 19-Jun-2012 10:13:53

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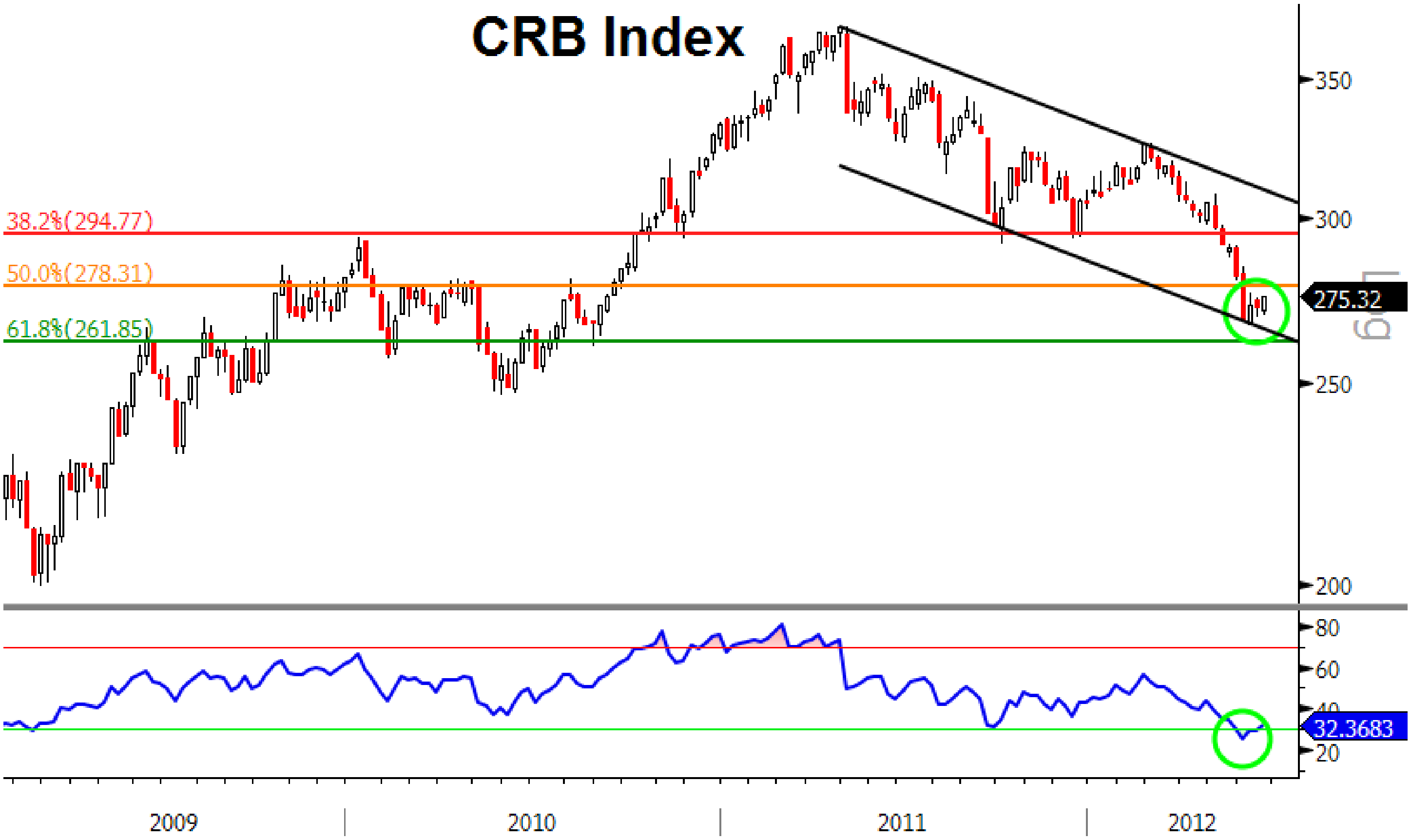
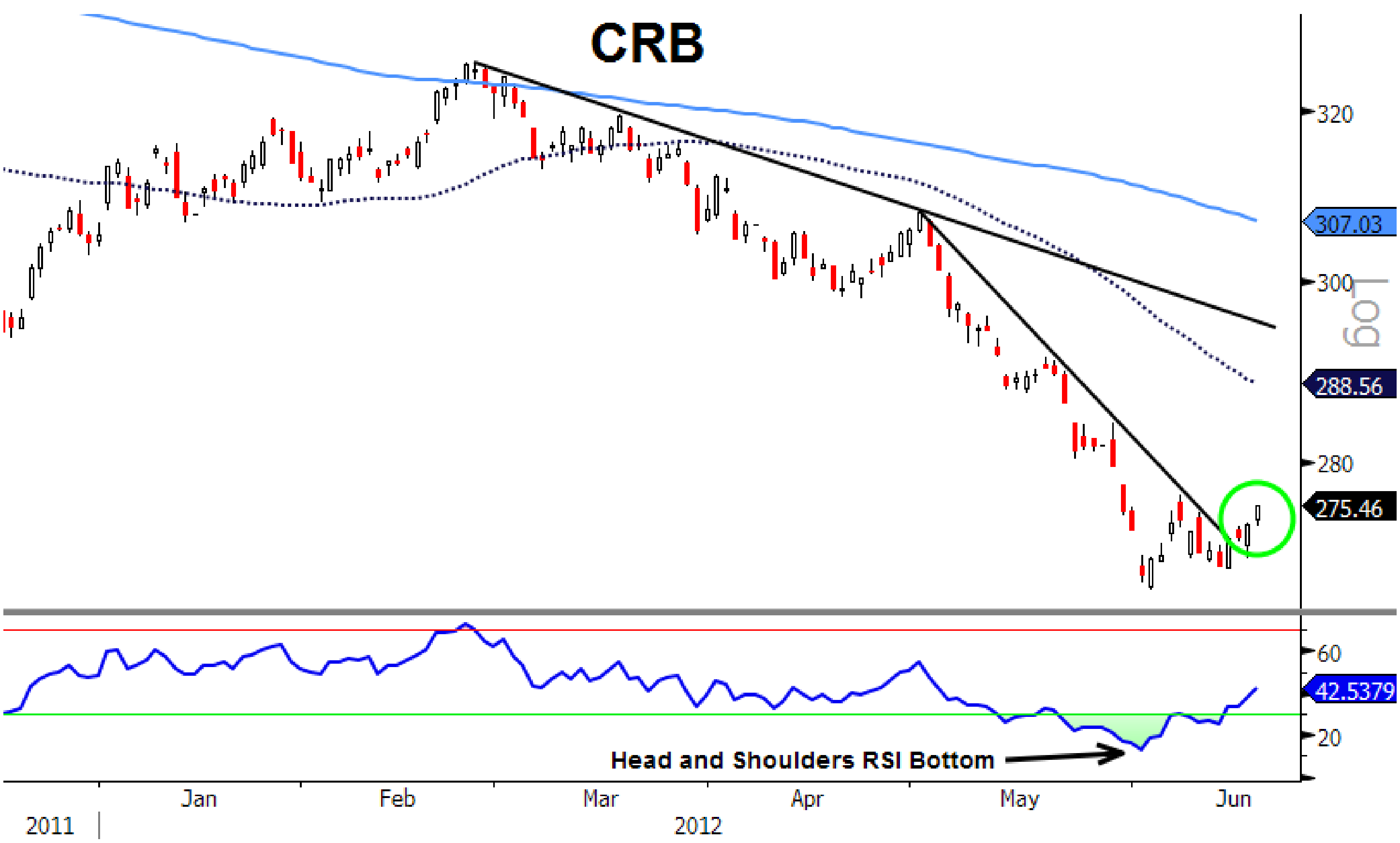


CRY Index (Thomson Reuters/Jefferies CRB Commodity Index) The Show Weekly 21JU Copyright© 2012 Bloomberg Finance L.P. 19-Jun-2012 10:25:42



CRY Index (Thomson Reuters/Jefferies CRB Commodity Index) 0Daily 20JUN2011-19JU Copyright© 2012 Bloomberg Finance L.P. 19-Jun-2012 10:30:31

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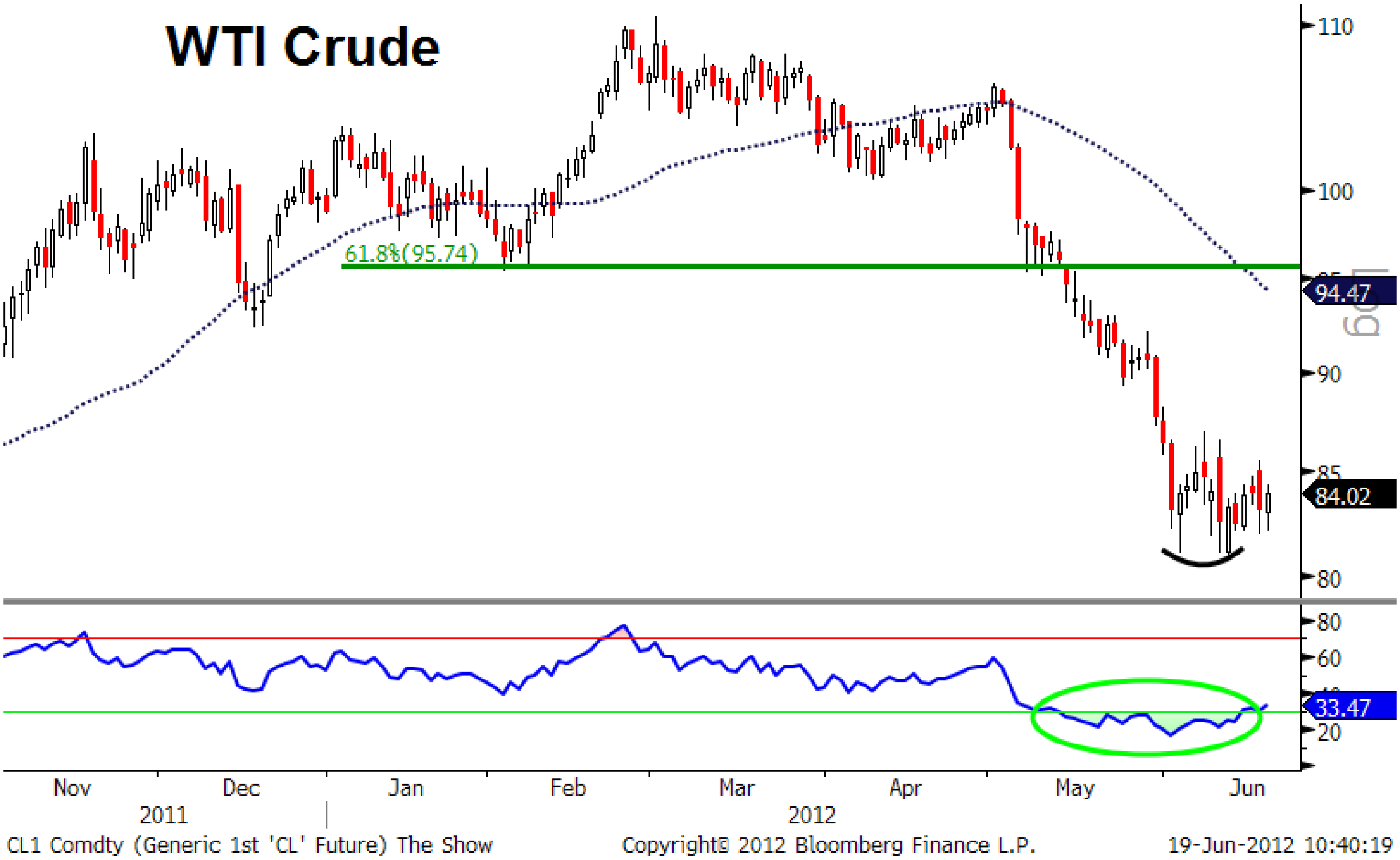

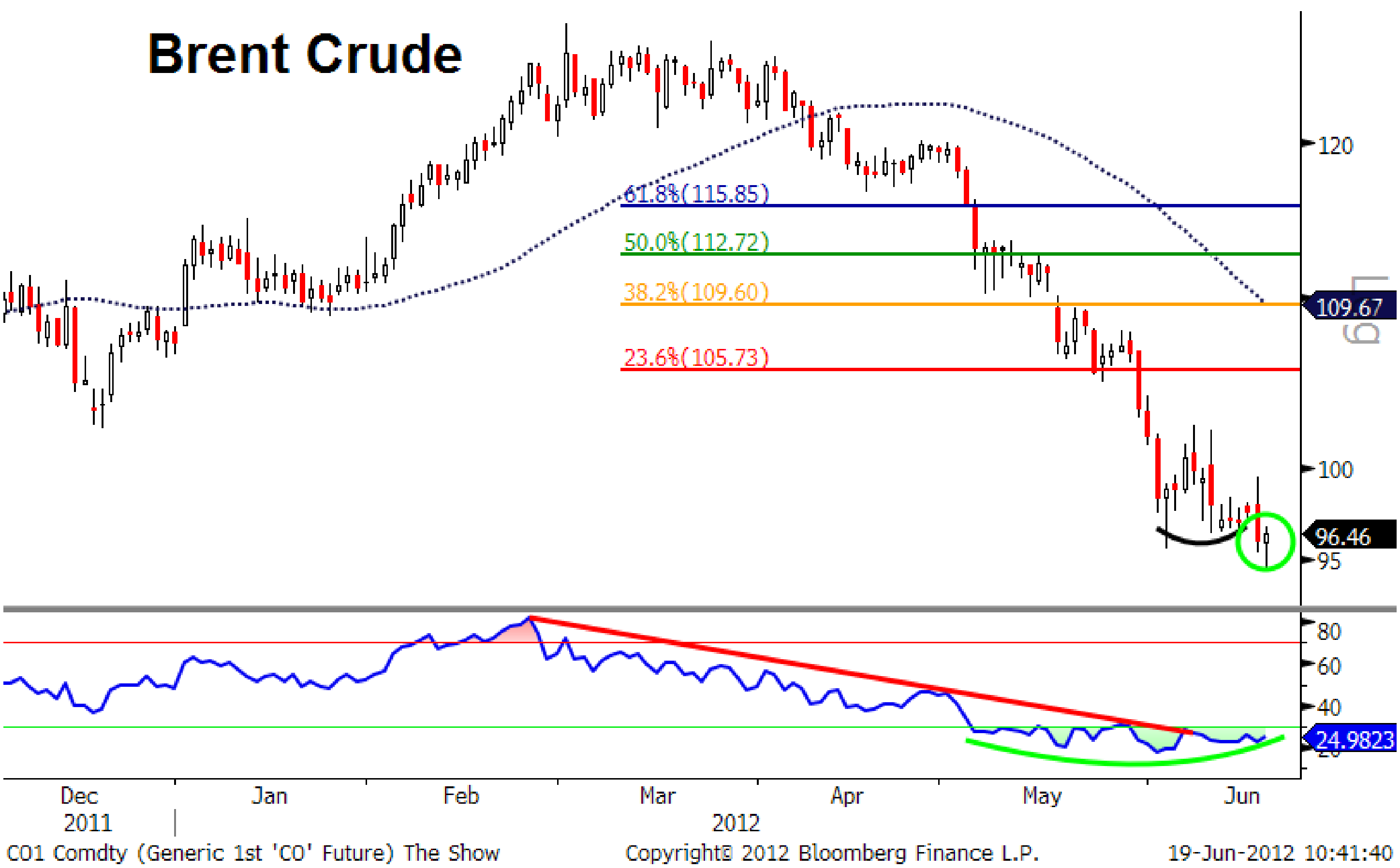

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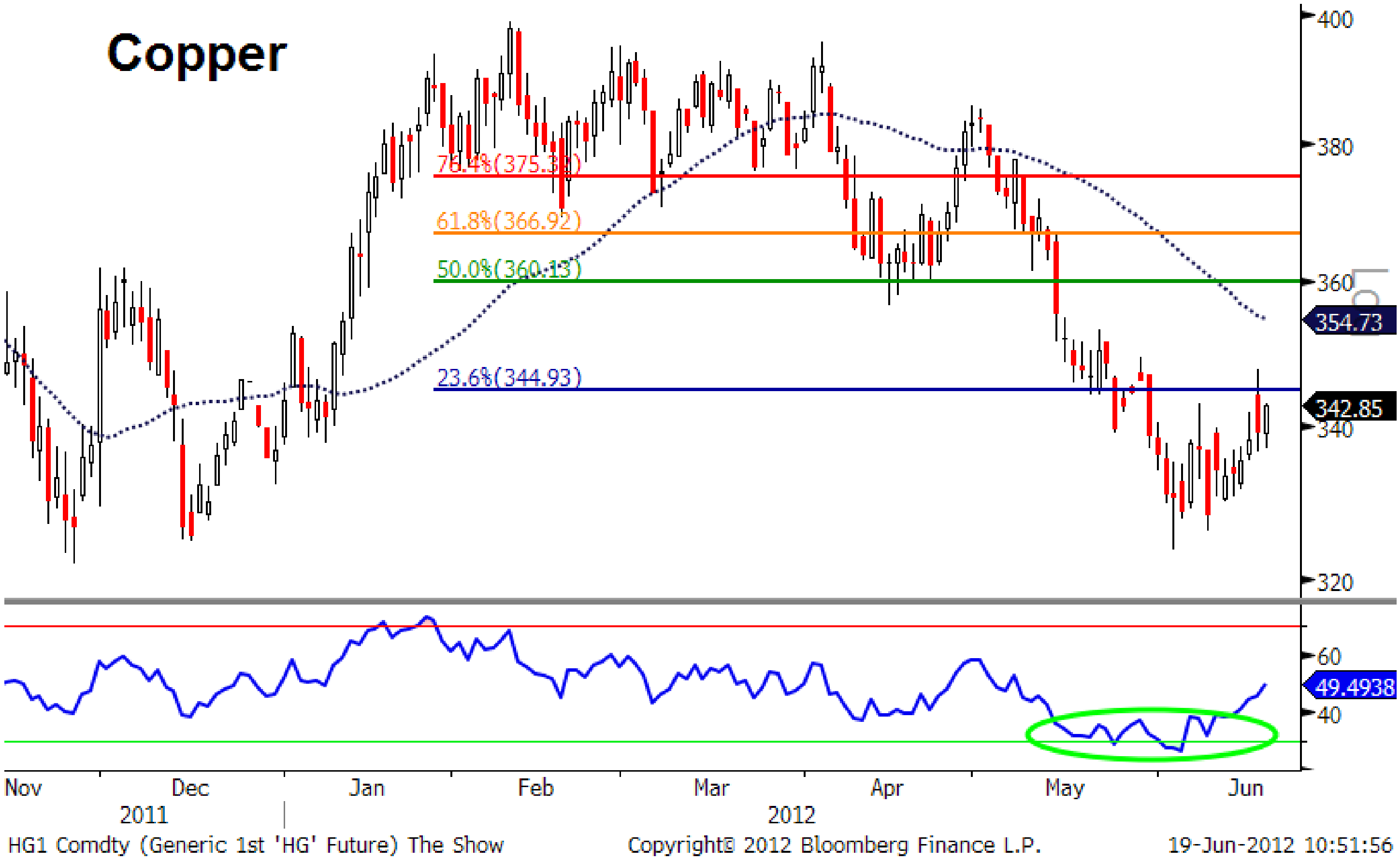
Copper
76.4%(375.33)
61.8%(366.92)
50.0%(360.13)
23.6%(344.93)
400
380
360
354.73
342.85
340
320
Log
60
49.4938
40
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
2011
2012
HG1 Comdty (Generic 1st 'HG' Future) The Show
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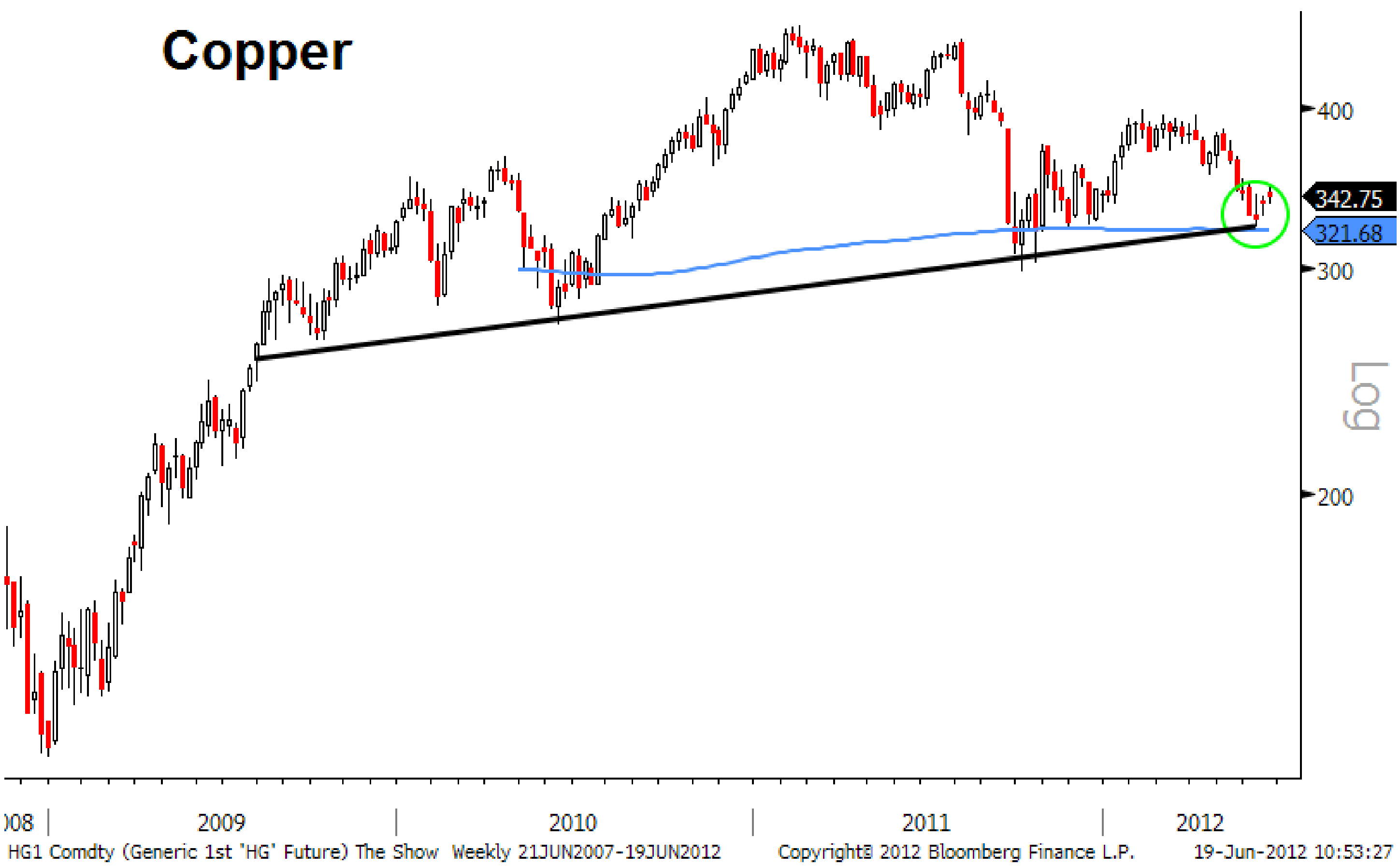
Copper
400
342.75
321.68
300
Log
200
2008
2009
2010
2011
2012
HG1 Comdty (Generic 1st 'HG' Future) The Show Weekly 21JUN2007-19JUN2012
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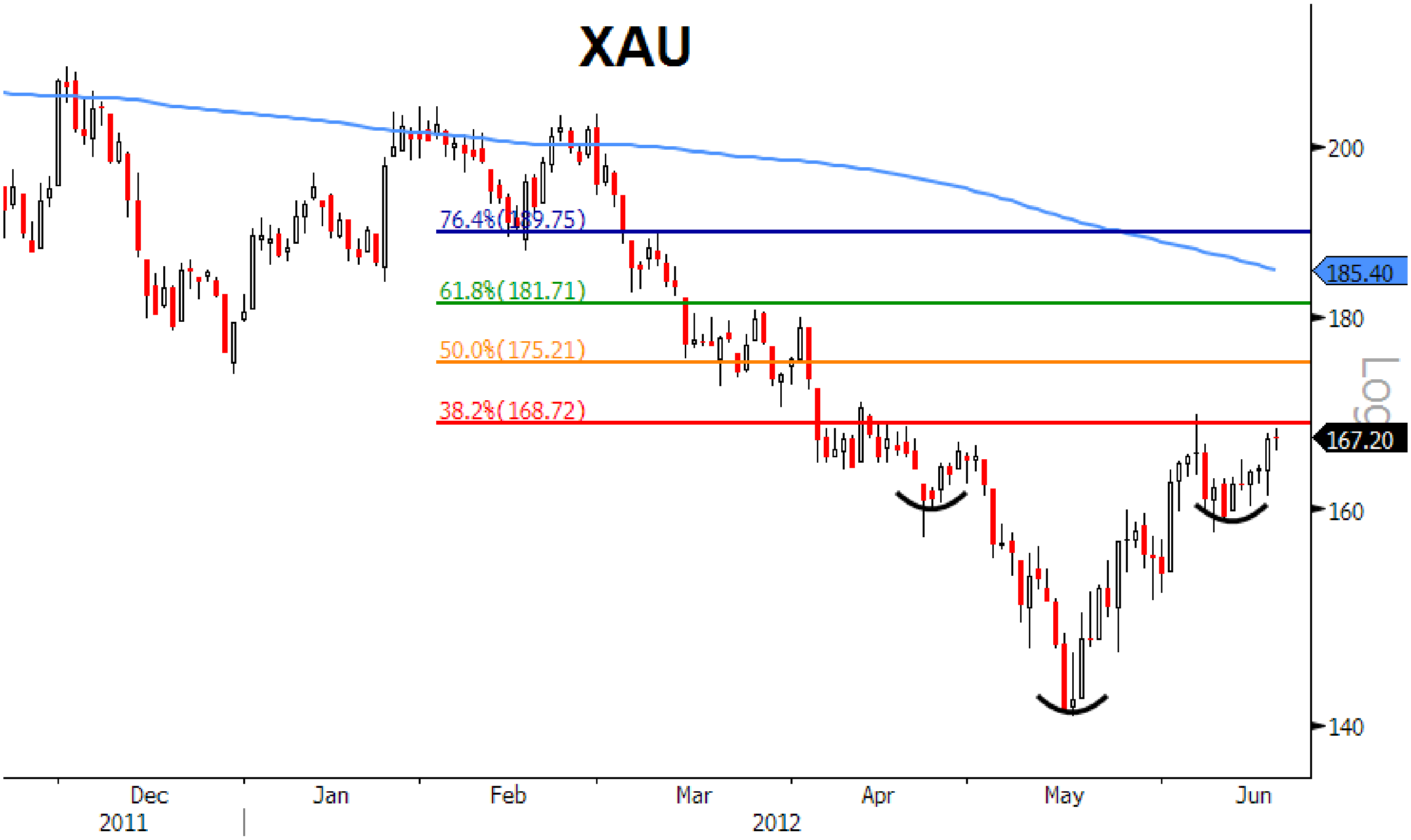

XAU Index (Philadelphia Stock Exchange Gold and Silver Index) The Show Copyright© 2012 Bloomberg Finance L.P. 19-Jun-2012 11:03:53

FCX US Equity (Freeport-McMoRan Copper & Gold Inc) The Show Daily 20JUN2011-19 Copyright© 2012 Bloomberg Finance L.P. 19-Jun-2012 11:07:03

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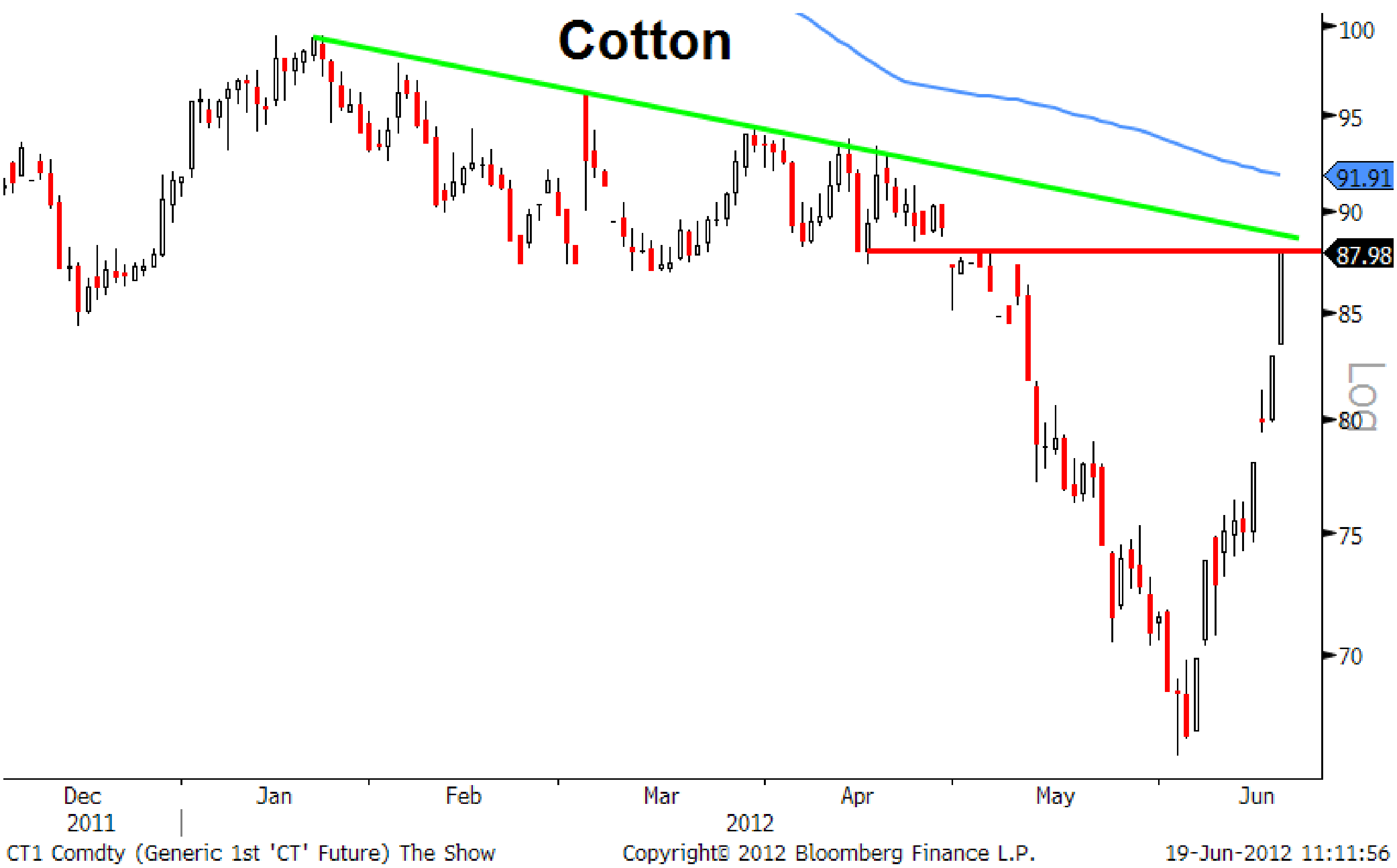

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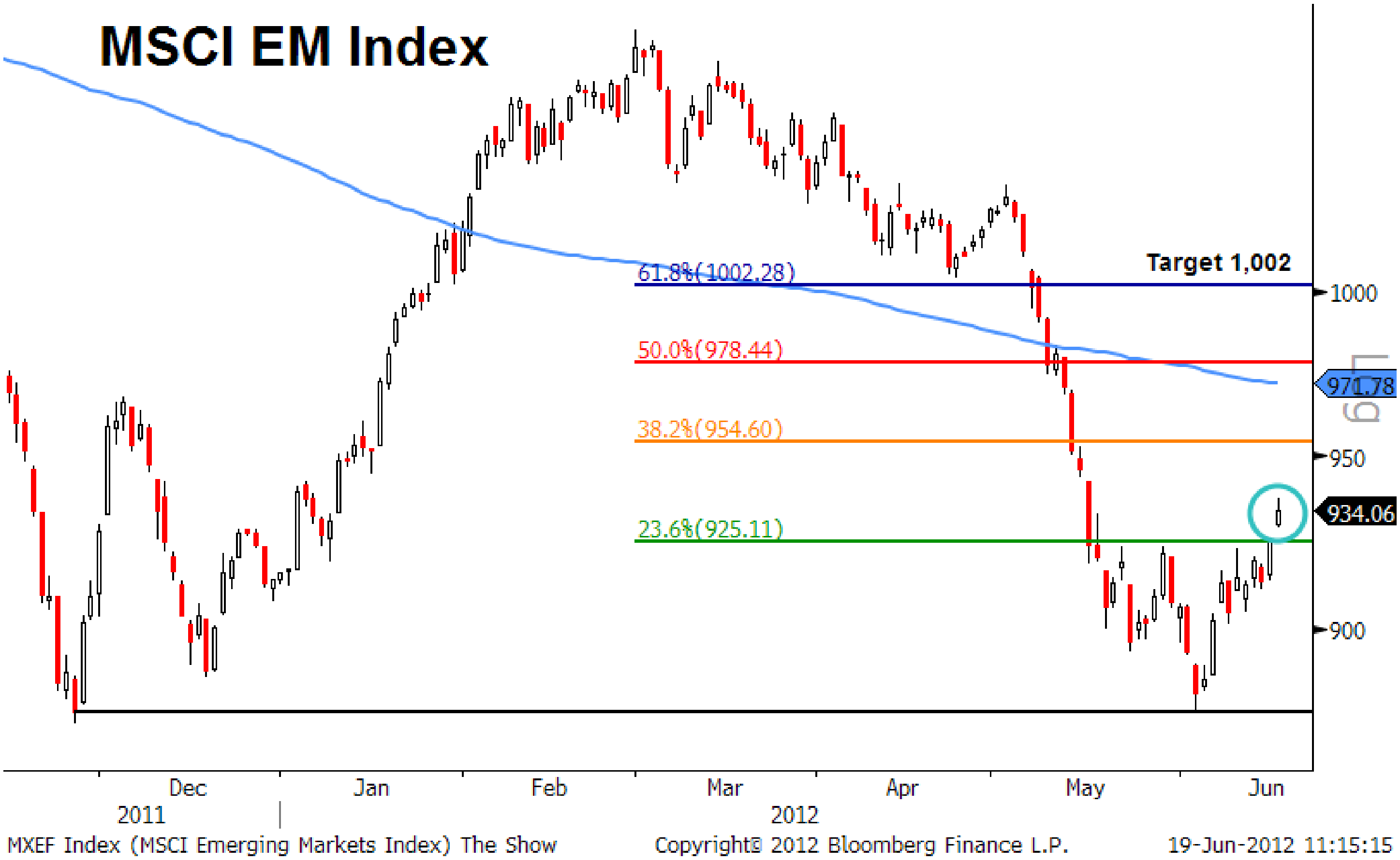

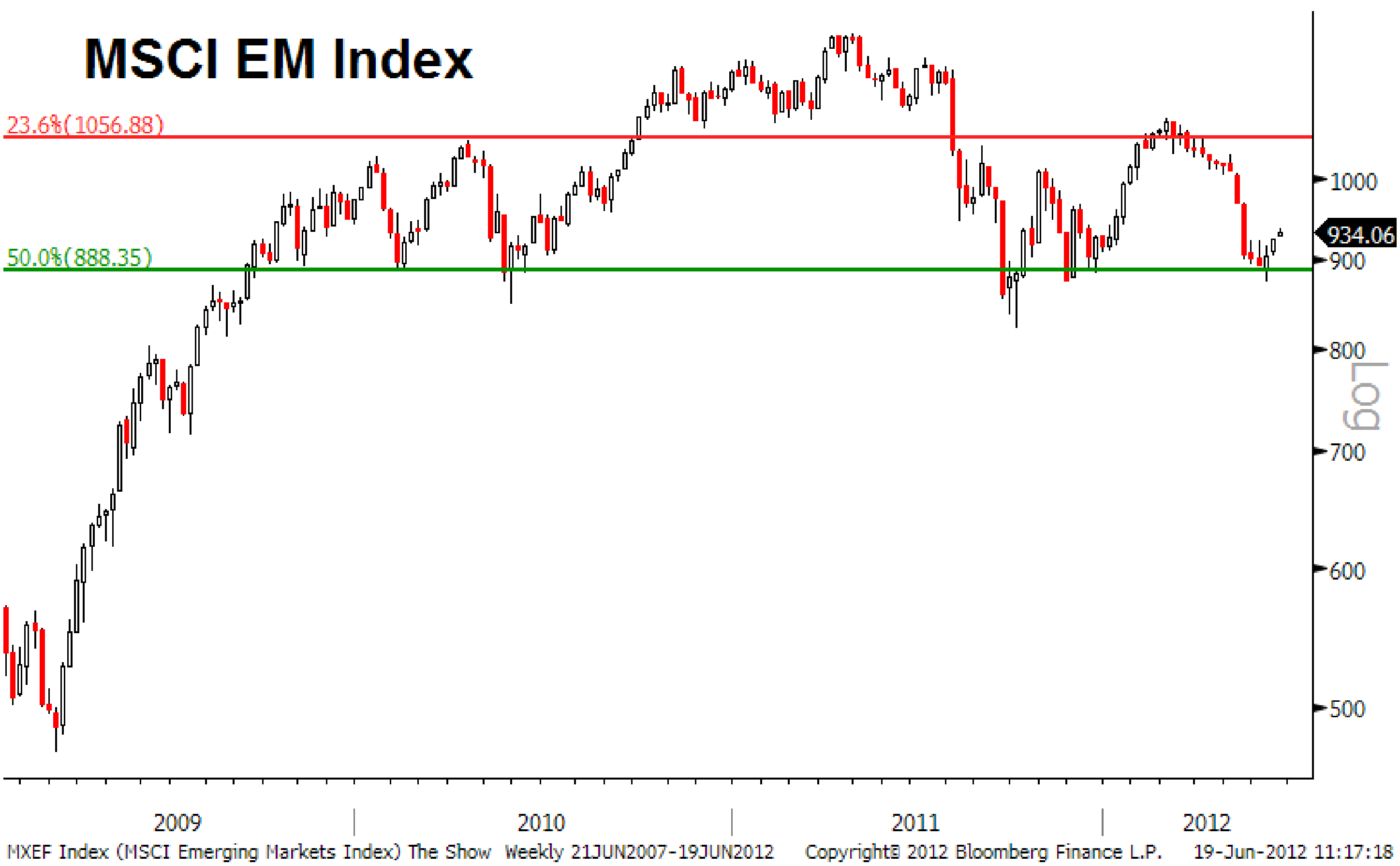

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IBOV Index (Bovespa Brasil Sao Paulo Stock Exchange Index) The Show Daily 20JU Copyright© 2012 Bloomberg Finance L.P. 19-Jun-2012 11:20:11

INDEXCF Index (MICEX Index) The Show Copyright© 2012 Bloomberg Finance L.P. 19-Jun-2012 11:22:14

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HSCEI Index (Hong Kong Stock Exchange Hang Seng China Enterprises Index) The Sh Copyright© 2012 Bloomberg Finance L.P. 19-Jun-2012 11:38:43

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Egypt
38.2%(4545.84)
123.6%
138.2%
150.0%
161.8%
5500
5000
4499.65
4087.45
4000
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
2011
2012
EGX30 Index (Egyptian Exchange EGX 30 Price Index) The Show
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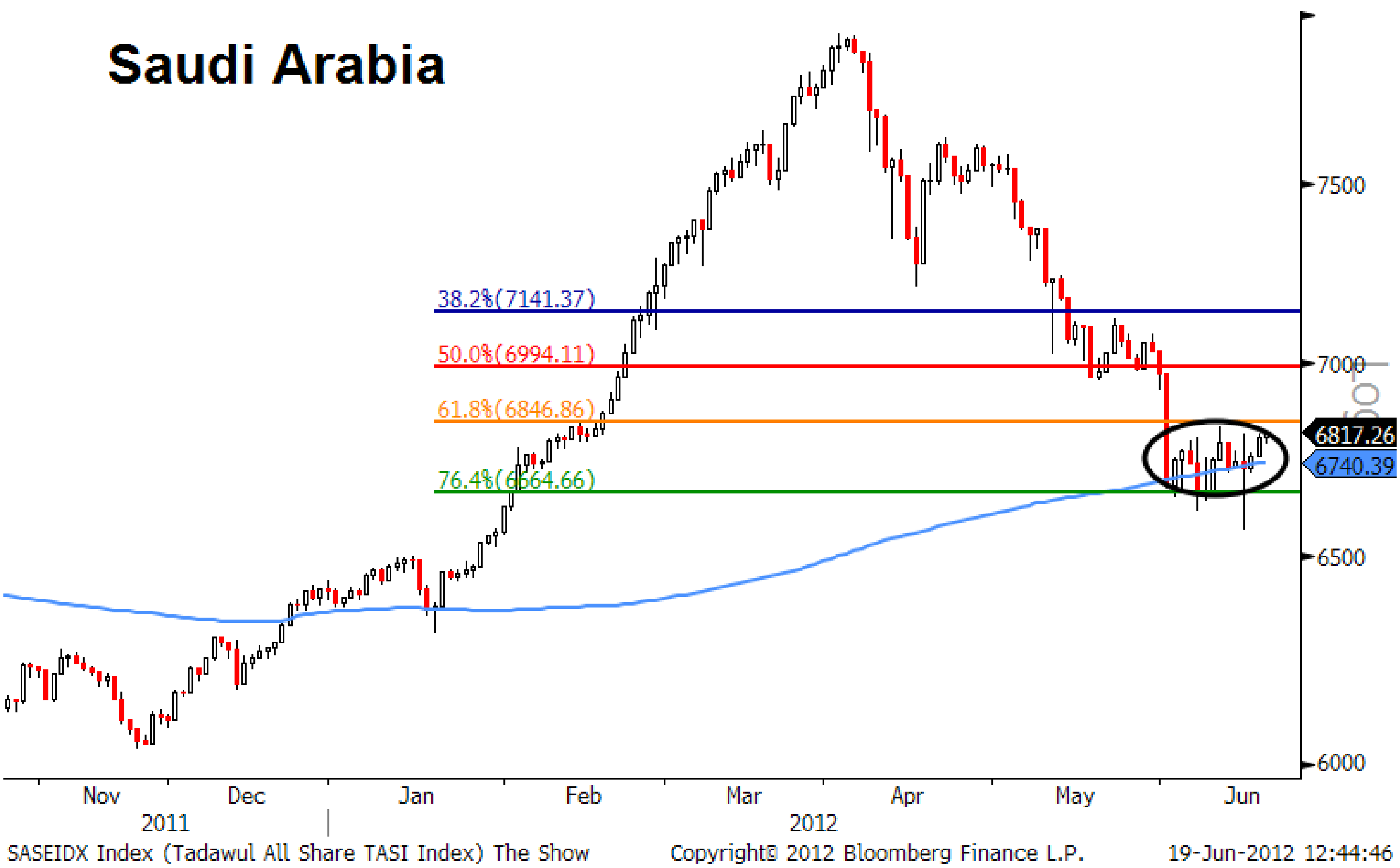
Saudi Arabia
38.2%(7141.37)
50.0%(6994.11)
61.8%(6846.86)
76.4%(6664.66)
7500
7000
6817.26
6740.39
6500
6000
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
2011
2012
SASEIDX Index (Tadawul All Share TASI Index) The Show
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DAX
23.6%(6513.11)
38.2%(6306.76)
50.0%(6139.98)
61.8%(5973.20)
7000
6500
6363.36
6247.34
6000
5500
Log
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
2011
2012
DAX Index (Deutsche Borse AG German Stock Index DAX) The Show
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FTSE 100
23.6%(5705.43)
50.0%(5484.75)
76.4%(5264.08)
6000
5800
5586.31
5400
5200
5000
Log
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
2011
2012
UKX Index (FTSE 100 Index) The Show
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CAC 40
3600
3400
61.8%(3308.60)
50.0%(3253.96)
38.2%(3199.31)
3185.75
23.6%(3131.69)
3117.92
3000
2800
Dec
Jan
Feb
Mar
Apr
May
Jun
2011
2012
CAC Index (CAC 40 Index) The Show
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Spain
9000
8500
8033.93
7500
7000
6693.90
6500
6000
Dec
Jan
Feb
Mar
Apr
May
Jun
2011
2012
IBEX Index (IBEX 35 Index) The Show
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