

€/ \$ & US5s30s bounces should be sold. Get ready to act

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Bottom Line:

Get ready to act on €/ \$ and US 5s30s. We would look to sell the former on a bounce and initiate a flattener on the latter. We stay the course on \$/ ¥ AND US Treasuries (bearish). Watch the March highs on the R2K.

€/ \$:

Sell the Bounce. The intra-day impulsive decline from the 1.3701, Jul-01 high and break of 3wk t/l at 1.3670/1.3661 says the downtrend has resumed. We would look to sell any bounce. We target 1.3295 before 1.3104 (Sep low) and below.

\$/ ¥:

Bearish and Short. The consolidation of the past 5 months is drawing to a close. We expect a bear trend resumption for 99.21 and then 97.40. Above 102.81 invalidates.

NOKSEK:

Bullish. The impulsive advance from 1.0840 (Jul-01 low) and daily close above 1.1011 says the uptrend has resumed. We continue to target 1.1400, potentially 1.1728. Add to longs on pullbacks. Below 1.0840 invalidates the bullish view.

US 5s30s Treasury Spread:

The 2m range trade is about to end and the larger flattening trend is about to resume. Below 167.7bps confirms a resumption of the larger bear trend for 149.3bps/136.8bps. Steepening should not exceed 176.1bps and a break of 179.6bps invalidates our flattening view.

US 10yr Treasury yields:

Bearish and short TYU4: We look for basing into the 2.624%/2.603% zone, worst case the 2.568% pivot before the larger bear trend resumes for 2.768% ahead of 2.825% and beyond. TYU4 targets 122-29.

European Bund yields:

Bearish. Despite the Thursday Bullish Hammer formation evidence continues to favor basing against 1.237%/1.218%. Back above 1.304%/1.331% says the trend has turned, with a close above the 50d (now 1.368% confirming).

Russell 2000:

The 1212.82, Mar-04 high is KEY. A close above confirms a resumption of the long term uptrend & should provide a bullish boost for the US equity market generally.

Copper:

We are medium term neutral. However, [with the LME Index trying to carve a l/term base](#), watch 7500/7474. Above here completes a l/term base and bullish turn higher

Outstanding Trades

FX: [Long NOKSEK at 1.0906 \(avg.\), adjust stop to 1.0835, target 1.1400 \(Jun-20\)](#)
[Long \\$/ZAR at 10.5797, adjust stop to 10.5295, target 10.9799 \(Jun-24\)](#)
[Long \\$/CLP at 552.10, risk 546.5, target 577 and beyond \(Jun-30\)](#)
[Short \\$/¥ at 101.75, add at 10.18, risk 102.85, target 99.21 \(Jul-02\)](#)
FI: [Short TYU4 at 124-31+, stop adjusted to 125-09+, target 122-29, \(Jun-25\)](#)
CO: No trades

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Chart 1: EURUSD



Chart 2: USDJPY



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Chart 3: NOKSEK

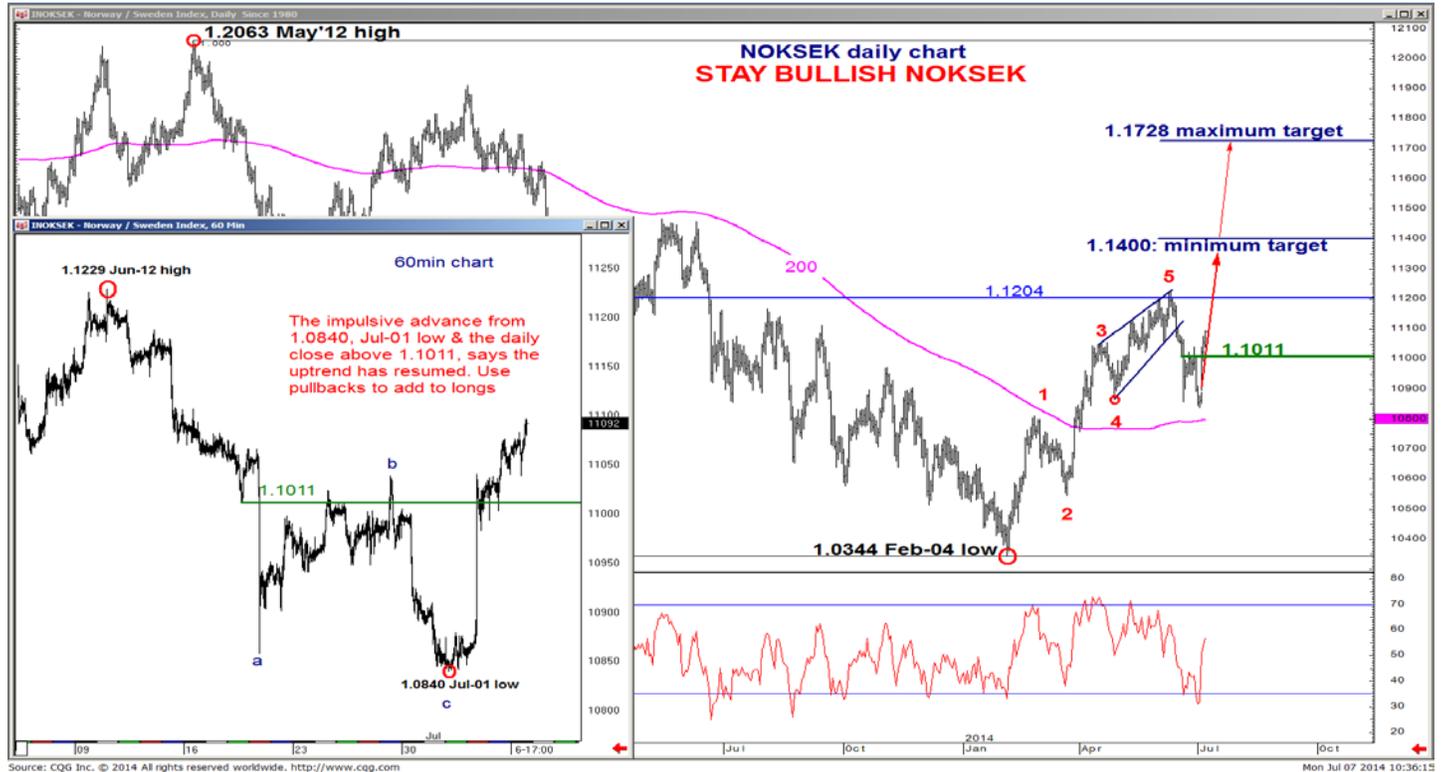
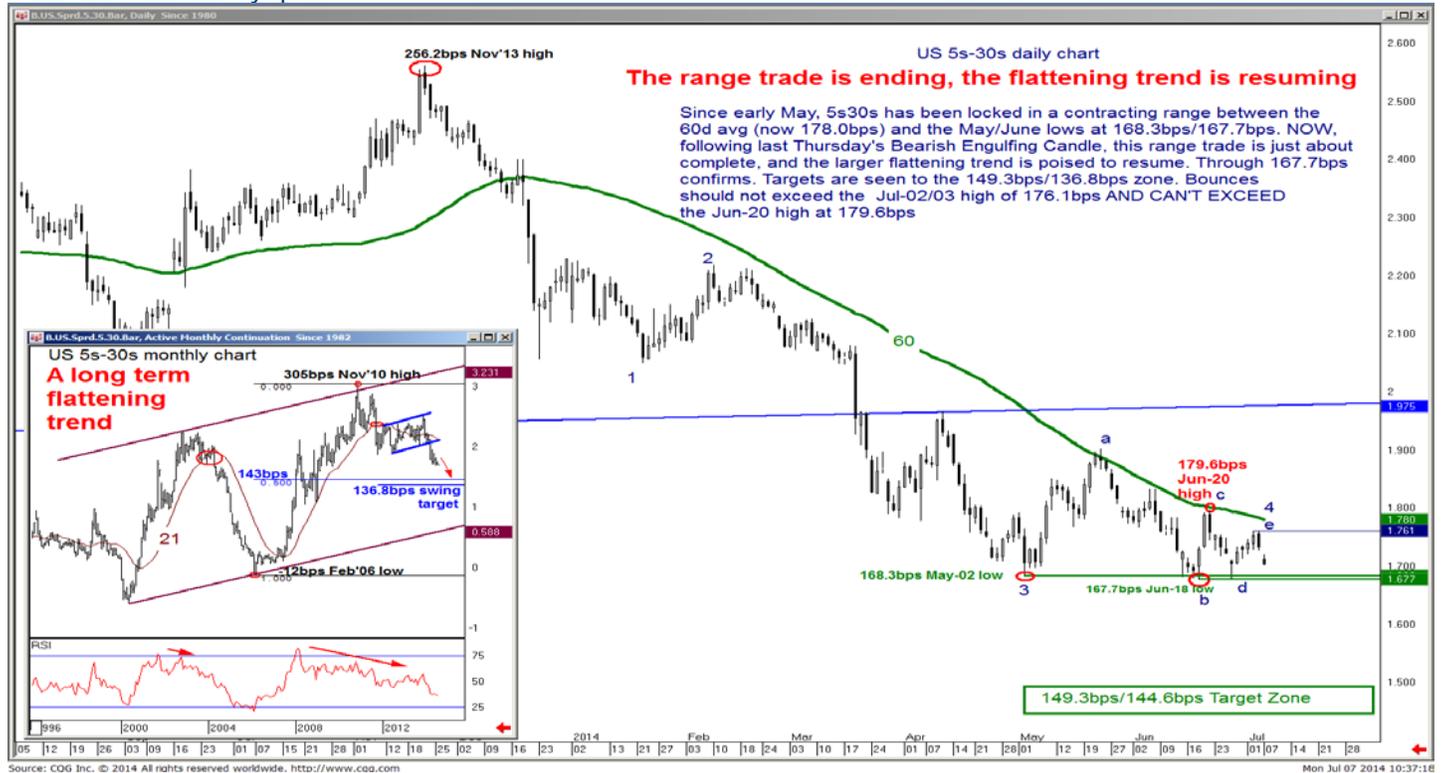


Chart 4: US 5s30s Treasury Spread



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Chart 5: US 10yr Treasury yields



Chart 6: European Bund yields

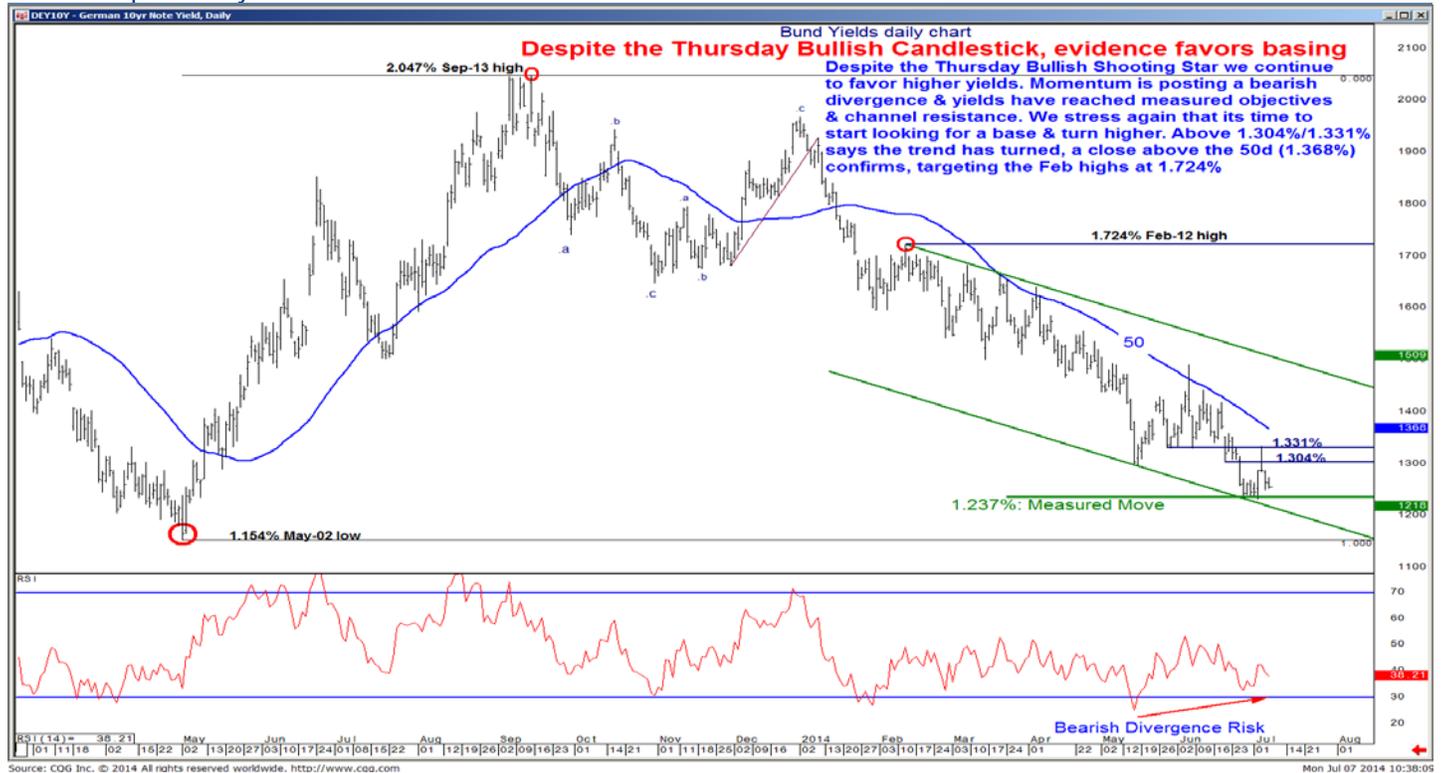


Chart 7: Russell 2000



Chart 8: Copper



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Table 3: Trade recommendation history (rolling 12-month history)

Date (trade entered)	Buy/Sell	Market	Entry Level (or premium, bp)	Date (trade closed)	Exit Level (or premium)	Return	TYPE
6/24/2014	Buy	USDCNH	6.2275	7/1/2014	6.2045	-0.37%	FX
6/11/2014	Sell	LME Copper	6675	6/23/2014	6840	-2.47%	CO
6/10/2014	Buy	USDCHF	0.8992	6/19/2014	0.8923	-0.77%	FX
5/30/2014	Buy	USDZAR	10.5635	6/19/2014	10.6566	0.88%	FX
5/30/2014	Sell	US 5s30s	183.0	6/19/2014	174.6	4.59%	FI
6/6/2014	Sell	TYU4	124.78125	6/19/2014	124.65625	0.10%	FI
5/30/2014	Buy	CLZ4/CLZ5	7.18	6/18/2014	8.25	14.90%	CO
5/12/2014	Sell	Spot Gold	1300	6/12/2014	1270	2.31%	CO
5/16/2014	Sell	IKM4	124.67	6/6/2014	125.84	-0.94%	FI
5/19/2014	Sell	EURUSD	1.3735	6/5/2014	1.3625	0.80%	FX
4/29/2014	Sell	EURNOK	8.2956	6/5/2014	8.1675	1.54%	FX
4/9/2014	Buy	USDCHF	0.8796	6/5/2014	0.894	1.64%	FX
4/7/2014	Buy	USDCHF	0.8836	6/5/2014	0.894	1.18%	FX
4/25/2014	Sell	EURAUD	1.4915	5/19/2014	1.475	1.11%	FX
5/1/2014	Sell	Spot Silver	19.2000	5/14/2014	19.95	-3.91%	CO
4/22/2014	Buy	GBPUSD	1.6844	5/9/2014	1.6909	0.39%	FX
4/25/2014	Buy	AUDNZD	1.0805	5/2/2014	1.072	-0.79%	FX
4/15/2014	Sell	US 5s30s	185.3	4/30/2014	178.8	3.51%	FI
4/15/2014	Sell	Spot Gold	1300.8300	4/24/2014	1295	0.45%	CO
3/24/2014	Sell	GBPAUD	1.8075	4/16/2014	1.7960	0.64%	FX
3/31/2014	Sell	FVM4	118.7969	4/9/2014	119.3125	-0.43%	FI
4/2/2014	Sell	COM4	104.4900	4/3/2014	106.15	-1.59%	CO
2/19/2014	Buy	USDCAD	1.1020	2/26/2014	1.1115	0.86%	FX
2/26/2014	Buy	USDMXN	13.2931	3/6/2014	13.175	-0.89%	FX
3/3/2014	Sell	Spot Gold	1337.0000	3/3/2014	1346	-0.67%	CO
2/24/2014	Buy	AUDUSD	0.8990	2/27/2014	0.893	-0.67%	FX
2/13/2014	Buy	AUDNZD	1.0750	2/26/2014	1.078	0.28%	FX
2/25/2014	Sell	USM4	131.8125	2/25/2014	132.3125	-0.38%	FI
2/12/2014	Buy	TYH4	125.359375	2/20/2014	125.671875	0.25%	FI
2/12/2014	Sell	LME Copper	7098	2/19/2014	7215	-1.65%	CO
1/14/2014	Buy	USDCAD	1.0930	2/11/2014	1.101	0.73%	FX
1/9/2014	Buy	USDKRW	1059	2/4/2014	1081.0	2.08%	FX
1/15/2014	Buy	COM4	105.00	1/31/2014	105.00	0.00%	CO
1/17/2014	Sell	EURUSD	1.3547	1/23/2014	1.3650	-0.76%	FX
12/19/2013	Buy	USDTRY	2.0715	1/17/2014	2.2161	6.98%	FX
12/10/2013	Buy	USDMXN	12.86	12/19/2013	12.86	0.00%	FX
12/5/2013	Sell	TYH4	124.453125	12/20/2013	123.75	0.56%	FI
11/12/2013	Buy	USDJPY	99.53	12/20/2013	104.6	5.09%	FX
12/16/2013	Sell	EURUSD	1.3764	12/27/2013	1.3834	-0.51%	FX
9/20/2013	Sell	LME Copper	7294	12/13/2013	7207	1.19%	CO
11/21/2013	Sell	EURUSD	1.35	11/27/2013	1.358	-0.59%	FX
11/20/2013	Sell	USZ3	132.4375	11/26/2013	132.25	0.14%	FI
10/31/2013	Buy	Spot Gold	1310	11/21/2013	1250	-4.58%	CO
11/6/2013	Sell	EURNOK	8.0600	11/8/2013	8.1280	-0.84%	FX
10/23/2013	Buy	USDJPY	97.26	11/8/2013	98.05	0.81%	FX
11/6/2013	Sell	COF4	105.95	11/8/2013	105.35	0.57%	CO
10/10/2013	Buy	EURJPY	132.7	11/1/2013	132.7	0.00%	FX
9/20/2013	Sell	US 5s30s	229	10/30/2013	234.8	-2.53%	FI
10/11/2013	Sell	AUDNZD	1.138	10/23/2013	1.1465	-0.75%	FX
9/20/2013	Sell	TYZ3	126.359375	10/4/2013	126.1875	0.14%	FI
8/26/2013	Buy	USDJPY	97.5	9/30/2013	97.75	0.26%	FX
9/12/2013	Sell	AUDNZD	1.143	9/24/2013	1.1346	0.73%	FX
9/4/2013	Sell	Spot Silver	23.6	9/19/2013	23.1	2.12%	CO
8/16/2013	Sell	GBPUSD	1.5645	9/5/2013	1.564	0.03%	FX
8/15/2013	Sell	TYU3	125.15625	8/27/2013	125.296875	-0.11%	FI
8/14/2013	Sell	CLV3	105.5	8/27/2013	108.2	-2.56%	CO
8/9/2013	Sell	EURUSD	1.3354	8/16/2013	1.332	0.25%	FX
8/6/2013	Sell	GBPUSD	1.5355	8/7/2013	1.544	-0.55%	FX
6/6/2013	Sell	LME Copper	7241	7/24/2013	7100	1.95%	CO
7/10/2013	Sell	IKU3	110.36	7/22/2013	111.6	-1.12%	FI
7/3/2013	Sell	USDJPY	99.95	7/8/2013	100.9	-0.95%	FX

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Date (trade entered)	Buy/Sell	Market	Entry Level (or premium, bp)	Date (trade closed)	Exit Level (or premium)	Return	TYPE
6/26/2013	Sell	TYU3	126.46875	7/8/2013	125.0625	1.11%	FI

Source: Past performance is no guarantee of future results. Records for trades prior to May 2013 are available upon request

Methodology

Trades ideas are based primarily on tools such as pattern recognition and trend analysis but may also be based on market sentiment, positioning, and inter-market relationships. This analysis provides directional views on global sovereign debt, foreign exchange and commodity markets.

Markets and instruments to be traded

- Foreign Exchange: G-20 currencies using cash, forwards, futures and options
- Fixed Income: Global sovereign debt using cash, swaps, forwards, futures, and options
- Commodities: Exchange traded energy, base and precious metals and agricultural commodity markets

Trade Specifics

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We exit trades when our trades hit their respective targets or stops, or when we change our views based on a change in market conditions. All trades will be closed out in a “Liquid Technical Edge” or a “Liquid Technical Alert”.

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We provide price return performance on a trade by trade basis using the previously published entry and exit levels for the previous last 12 months trades. We will publish price performance of all trades whenever a new trade is initiated or a previous trade is closed. Additionally, performance of open trades can be seen daily in Liquid Technical Edge. The performance of trades entered into by investors will vary from our reported performance depending on entry and exit levels and any additional costs, fees and expenses that that maybe associated with the trades. Past performance is not indicative of future performance of our trade recommendations.

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