

## The Day So Far

Equities beginning the week on the back foot as Friday's rally has failed to kick on; indeed US equities struggled into last week's close. S&P futures are trading just 5 points from the 1900 handle having traded as high as 1950 on Friday morning. Global growth concerns are driving this risk-off renewal as industrial profits in China fell at their fastest pace in 47 months. As a result, mining stocks have taken a beating, with the much-maligned Glencore down 17% this morning and the FTSE Mining index reaching its lowest level since 2008.

Japanese equities underperformed during the Asian session after Bank of Japan Governor Kuroda refused to divulge whether the central bank will add to its substantial QE programme following last week's negative inflation print, the first time Japan has experienced a fall in prices since 2013 and the start of Kuroda's QE programme.

## The Afternoon View

This is a busy week for data culminating with Friday's Non-Farms release. However, today is the quietest of the lot, with just Personal Income and PCE Deflator at 13:30 BST followed by Pending Home Sales after the cash open. The most revealing items on the calendar could come after the European close, with Fed's Evans and Williams both due to speak at 18:30 BST and 22:00 BST respectively. We are sticking with our bearish bias for equities, the failure of the bulls to push on on Friday has been noted and we are likely to see cautious, range bound markets through to Friday's NFP. I would not expect a significant break of the 1900 handle, also day's S1 and the 2<sup>nd</sup> target of our strategy. Long T notes and short crude and the euro complete our bias, one that has worked well recently.

## Key Headlines

### Market Sentiment: Bearish

- Chinese Industrial Profits fall at fastest pace for 47 months
- FTSE Mining Index hits lowest level since 2008 on global growth concerns

## Major Data Releases

Data	Expected	View
Personal Income (Aug)	0.40%	Inline
PCE Deflator (Aug)	0.00%	inline
Pending Home Sales (Aug)	1.80%	Inline

Strategy	Short
Entry	1925.50
1 <sup>st</sup> Target	1910.50
2 <sup>nd</sup> Target	1900.00
Stop	1929.75

Key Levels	Comments
1940.75	R1
1929.75	Overnight High
1925.50	Pivot
1910.50	Low of 22 <sup>nd</sup>
1900.00	Handle Support



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*Please see page 5 for more information*

Strategy	Short
Entry	1.1230
1 <sup>st</sup> Target	1.1191
2 <sup>nd</sup> Target	1.1156
Stop	1.1253

Key Levels	Comments
1.1288	R2
1.1253	R1
1.1230	Gap Resistance
1.1191	Pivot
1.1156	R1
1.1130	Friday's Low



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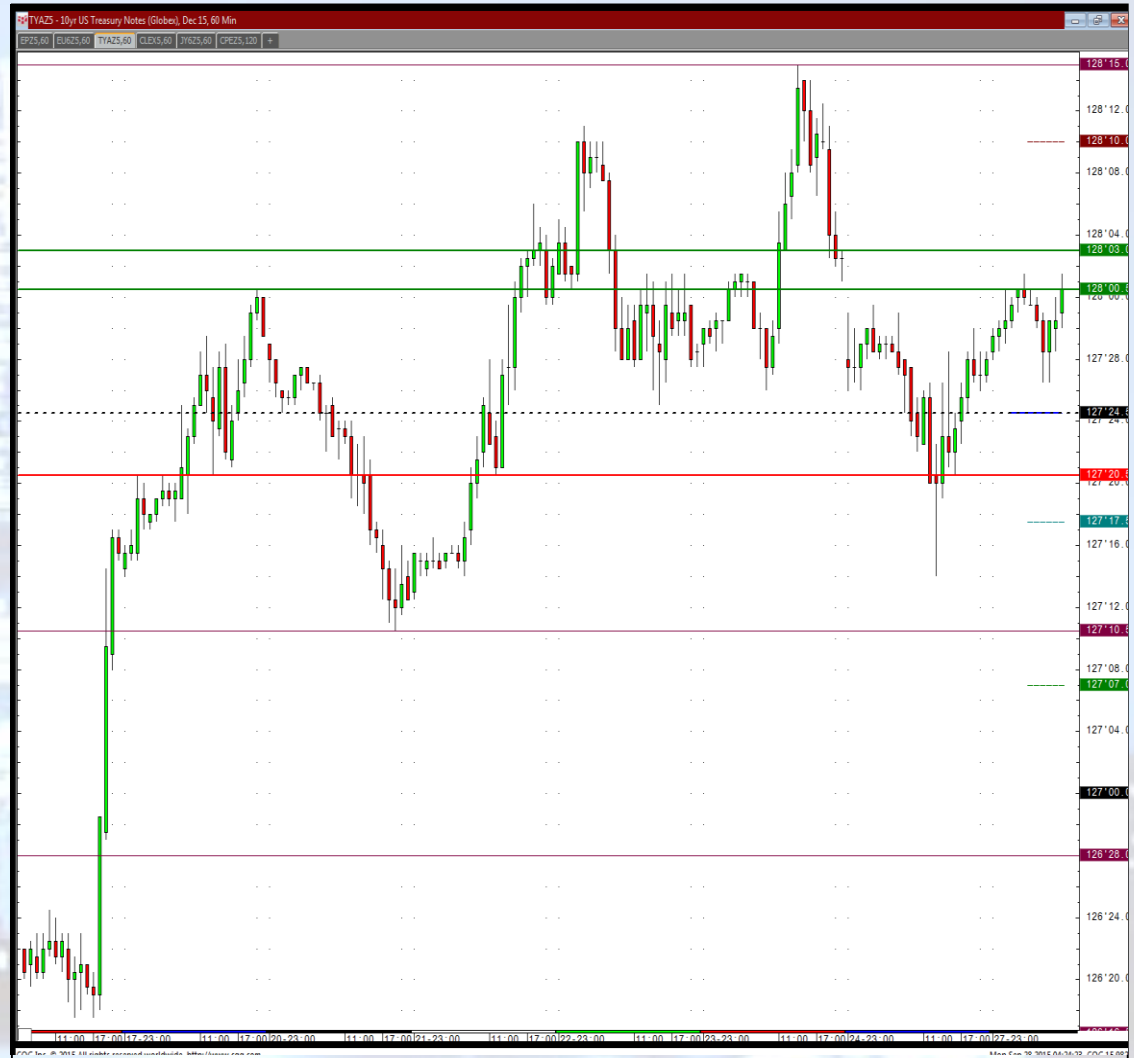
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Strategy	Long
Entry	127.245
1 <sup>st</sup> Target	128.005
2 <sup>nd</sup> Target	128.030
Stop	127.205

Key Levels	Comments
128.100	R2
128.030	R1
128.005	High of 18 <sup>th</sup>
127.245	Pivot
127.205	Support on 18 <sup>th</sup>
127.105	Low of 21 <sup>st</sup>
127.070	S2

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Strategy	Short
Entry	45.53
1 <sup>st</sup> Target	45.13
2 <sup>nd</sup> Target	44.86
Stop	45.75

Key Levels	Comments
46.19	R1
45.75	Resistance on Friday
45.53	Pivot
45.13	Overnight Low
44.86	Support on 25 <sup>th</sup>
44.67	S1



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