Nordea

Global Morning Briefing
03-09-10

Highlights

FX/Bonds
- ECB keeps rates unchanged at 1.0%; accommodative policy will remain as long as necessary.
- Sweden's Riksbanken hikes rates by 0.25% to 0.75%.
- US initial jobless claims fall to 472K for the week ending 28/8; be aware that the claims figures could be temporarily distorted by layoffs associated with census workers.
- US pending home sales rose 5.2% m/m, better than expected.

Equities
- Another positive day for equities globally; however, today's macroeconomic numbers will set the tone ahead of the long US weekend.
- We have now had 17 consecutive weeks of outflows from US equity funds; US equity fund managers now have their lowest liquidity levels ever.
- US closed on Monday for Labour Day.

Recommendations/Views

FX/Bonds
- As expected, the ECB has retreated from exiting its full allotment liquidity programme, i.e. the ECB will not hike rates until late 2011; today's highlight today will be the nonfarm payrolls numbers, where the market expects -105K; however, there is great uncertainty about the number after the strong ISM data; today also sees August non-manufacturing ISM data PMI Services figures from several European countries.

Equities
- Nordea sees a bright future for Danisco; expects management to lift FY guidance; reiterates "strong buy" and hikes target to DKK 575; a defensive play with impressive upside.
- Gold sector boosted by two hostile bids for Andean Resources; both Eldorado Gold and Goldcorp have placed bids with a 35-40% premium; we still see value in the sector and recommend GDX and GDXJ for equity exposure, or GLD for direct gold exposure.

Bonds

	Yield	Day	o/ EUR	2010
US 10Y	2.62	-0.50	34	-122
EUR 10Y	2.29	0.70	-	-110
SEK 10Y	2.43	0.10	14	-98
NOK 10Y	3.09	-	81	-108
DKK 10Y	2.37	-0.30	8	-121
4% 2038 IO	4.05	-0.47	177	-63
5% 2038 IO	4.81	-0.06	253	-33
6% '41 IO (10)	5.76	-0.12	348	-13

Currencies

	Last	High	Low	2010
EUR/USD	1.2824	1.2835	1.2813	-10.45%
GBP/USD	1.5408	1.5427	1.5391	-4.71%
USD/JPY	84.23	84.42	84.18	-9.45%
EUR/JPY	108	108.28	107.93	-18.92%
EUR/GBP	0.8323	0.8333	0.8313	-6.16%
EUR/CHF	1.2979	1.3	1.2974	-12.52%
EUR/SEK	9.3001	9.296	9.2903	-9.30%
EUR/NOK	7.8825	7.8806	7.8740	-4.91%

Equity indices

	Last	Day	Yr high	2010
Dow Jones	10320.10	0.49%	11258.01	-1.03%
Nasdaq	2200.01	1.06%	2535.28	-3.05%
Nikkei	9091.78	0.32%	11408.17	-13.79%
Euro Stoxx 50	2715.19	0.00%	3044.37	-8.42%
OMX	1043.09	-0.59%	1083.90	9.60%
OBX	332.41	-0.36%	360.61	-2.04%
KFX	406.71	-0.54%	429.09	20.80%
HEX	6730.73	0.22%	7487.06	4.25%

Equities/commodities

	Last	Day	2010	EPS
H&M	245.80	-0.69%	23.70%	11.22
Ericsson	75.30	0.27%	14.26%	0.00
Nokia	7.02	0.29%	-21.30%	0.26
APM Mærsk	45370.00	-2.45%	23.96%	2284.00
Danske Bank	137.00	1.48%	16.10%	3.93
Statoil	121.10	-0.49%	-16.37%	9.21
Brent (1st fut.)	76.50	-0.56%	-1.83%	-
Gold	1250.85	0.35%	13.30%	-

Economic agenda

	Time		Event	Exp.	Last
Fri	09:15	CH	CPI m/m	0.0%	-0.7%
	09:15	CH	CPI y/y	0.4%	0.4%
	09:55	D	PMI Services	58.5	58.5
	10:00	EU	PMI Services	55.6	55.6
	10:30	UK	PMI Services	52.9	53.1
	11:00	EU	Retail sales m/m	0.6%	1.2%
	11:00	EU	Retail sales y/y	0.2%	0.2%
	14:30	US	Nnfm payrolls change	-105000	-131000
	14:30	US	Unemployment	9.6%	9.5%
	16:00	US	ISM Non-Manufacturing	53.2	54.3

Earnings reports

	Company	Period	Exp. EPS
Fri	Campbell Soup	Q4	0.30

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Private Banking