

# Weekly Macro Chart Pack

## Key measures of risk

3 December 2014

ANALYST CERTIFICATIONS AND IMPORTANT DISCLOSURES ARE IN THE DISCLOSURE APPENDIX. FOR OTHER IMPORTANT DISCLOSURES, PLEASE REFER TO <https://firesearchdisclosure.credit-suisse.com>.

# Contents

Core Themes	Page 2	US Credit Spreads	Page 19
<b>Critical Focus Charts</b>		EUR Credit Spreads	Page 20
Brent Crude Oil	Page 4	US Duration Risk Appetite	Page 21
US Inflation	Page 5	10yr US & Curve	Page 22
EUR Inflation	Page 6	5yr5yr US	Page 23
Shanghai Comp	Page 7	10yr US/Germany	Page 24
US\$ TWI & DXY	Page 8	10yr Germany & Curve	Page 25
AUDDUSD	Page 9	10yr Spain & Spread	Page 26
EURUSD	Page 10	10yr Italy & Spread	Page 27
USDJPY & EURJPY	Page 11	10yr UK & Curve	Page 28
Europe Stoxx 600	Page 12	10yr JGB & Curve	Page 29
DAX	Page 13	MSCI World Developed	Page 30
US Credit Risk Appetite	Page 14	S&P 500 & VIX	Page 31
<b>Other Core Themes &amp; Charts</b>		IBEX & MIB	Page 32
Global Risk Appetite	Page 16	Nikkei 225	Page 33
World Wealth	Page 17	Gold	Page 34
Equity Risk Appetite	Page 18	Copper	Page 35

# Overview

## Critical Focus Charts

- **Brent Crude Oil** has achieved our \$71.75/42 target, but we stay bearish.
- **10yr TIPS Breakevens** maintain their medium-term top, and we stay bearish for 170/166bps.
- **5yr5yr EUR Breakevens** resume their downtrend, and we stay bearish for 65bps.
- **China Shanghai Composite** maintains a medium-term base, and we stay bullish for 2920.
- **USD TWI** above 95.10 should see the bull trend extend to our 100.20/70 core target.
- **DXY \$ Index** though has rallied to our target and what we expect to be tougher resistance at 88.71/89.92.
- **AUDUSD** bear trend shows signs of accelerating.
- **EURUSD** stays on course for our 1.2230/20 target, and potentially the 1.2042 low of 2012.
- **USDJPY** and **EURJPY** are expected to stay capped at 120.10 and 149.25 for now.
- **Europe Stoxx 600** may be close to an important break higher.
- **US Credit Risk Appetite** has achieved our “panic” target, and we begin to look for signs of a low.

## Other Core Themes

- **Nikkei** stays bullish for 18300, then 19115. **TOPIX Banks** may be close to an important bullish break.
- **10yr US yields** need to hold below 2.30% to see the immediate risk stay bullish.
- **5yr5yr US** holds the 3.09% low, but only above 3.30/33% would see a bearish reversal.
- **10yr Germany** holds trend resistance at .64%.
- **5s30s Germany** maintains a large top, and we look for flattening to 132/127bps.
- **10yr Italy/Germany** resolves its range lower, and we target 122/120bps, then 95bps.
- **Copper** is expected to break to a new low for the year, to target \$6038, then \$5800.

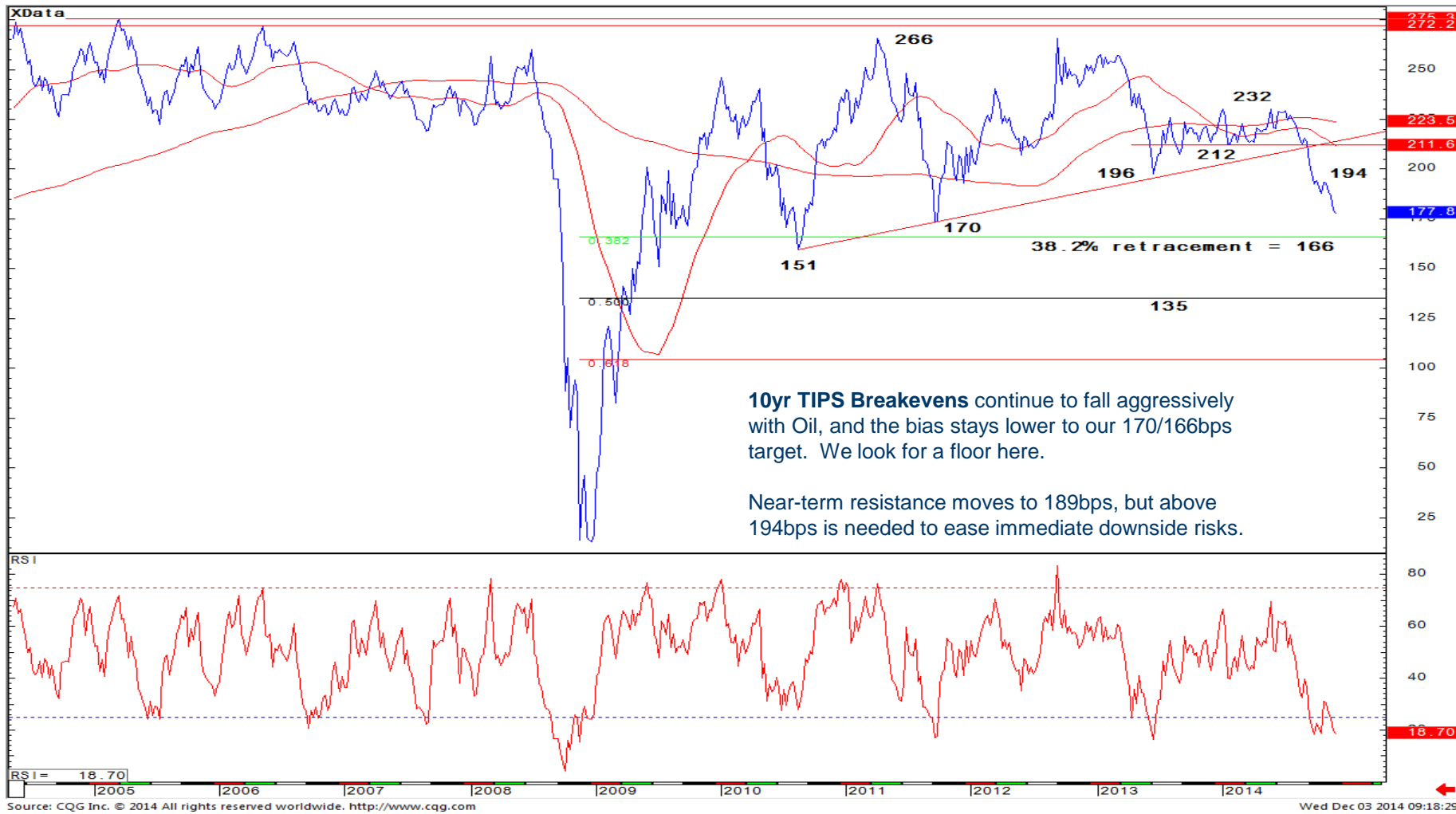
# Critical Focus Charts

# Brent Crude Oil has achieved our core target at \$71.75/42, but we stay bearish



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

# US Inflation stays bearish



Source: CQG, Credit Suisse

# EUR Inflation breaks below 172bps and we stay bearish for 165bps

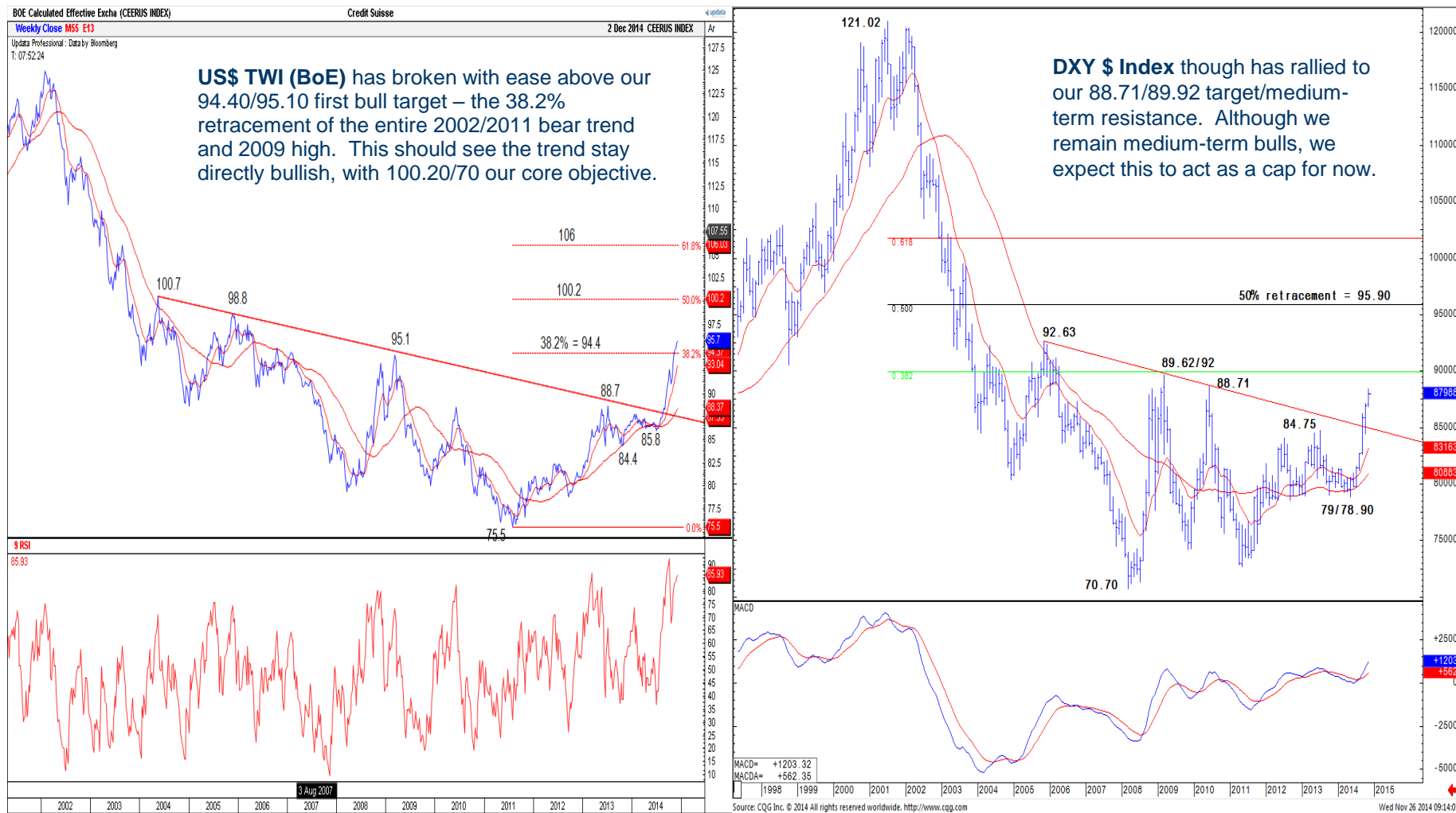


# China maintains an important base and we stay bullish



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

# USD TWI above 95.1 should maintain the core bull trend; DXY though is set for a test of tougher resistance



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

# AUDUSD bear trend shows signs of accelerating



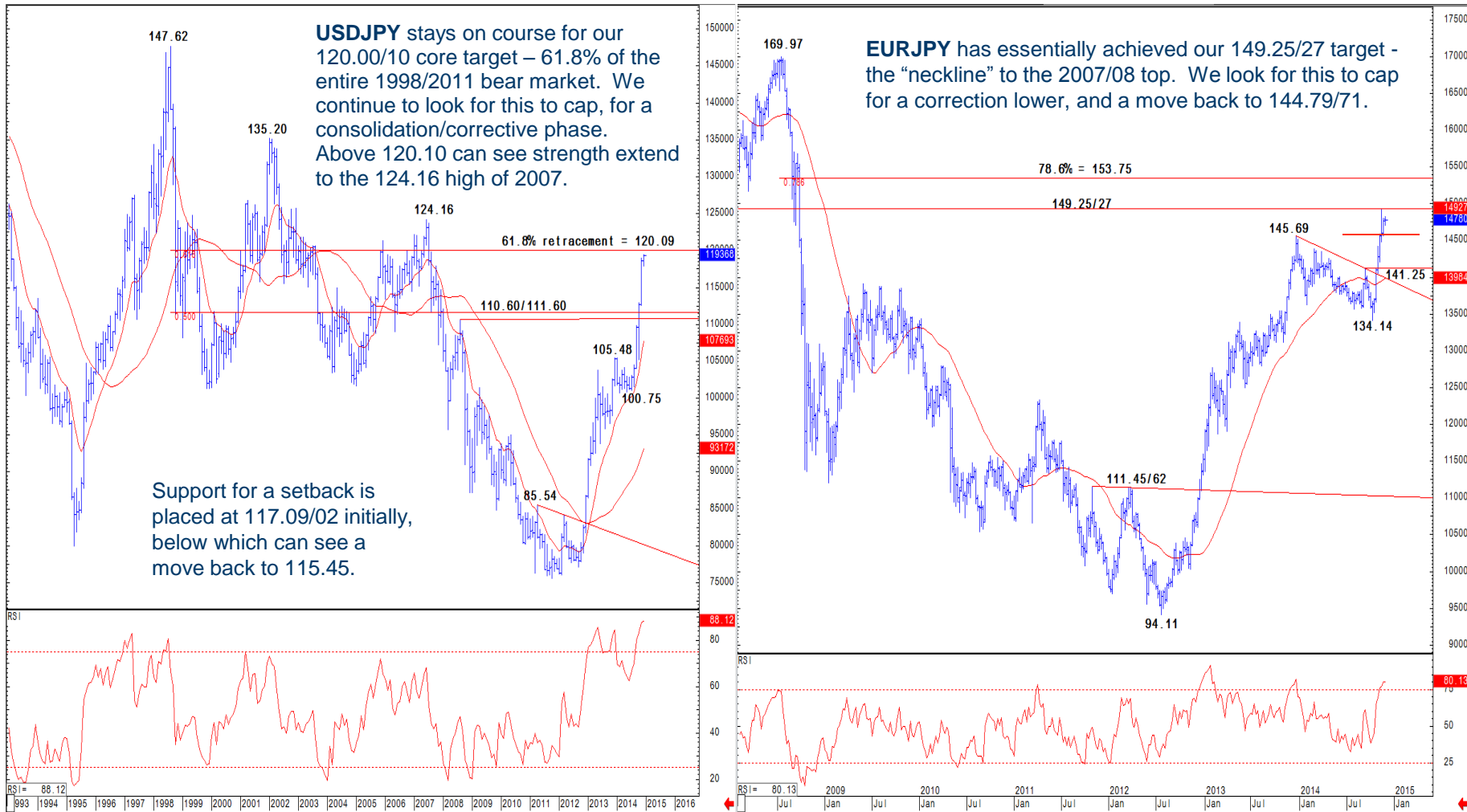
Source: CQG, Credit Suisse

# EURUSD stays on course for our 1.2230/20 target, and potentially the 1.2042 low



Source: CQG, Credit Suisse

# USDJPY and EURJPY are expected to stay capped at 120.10 and 149.25 respectively for now



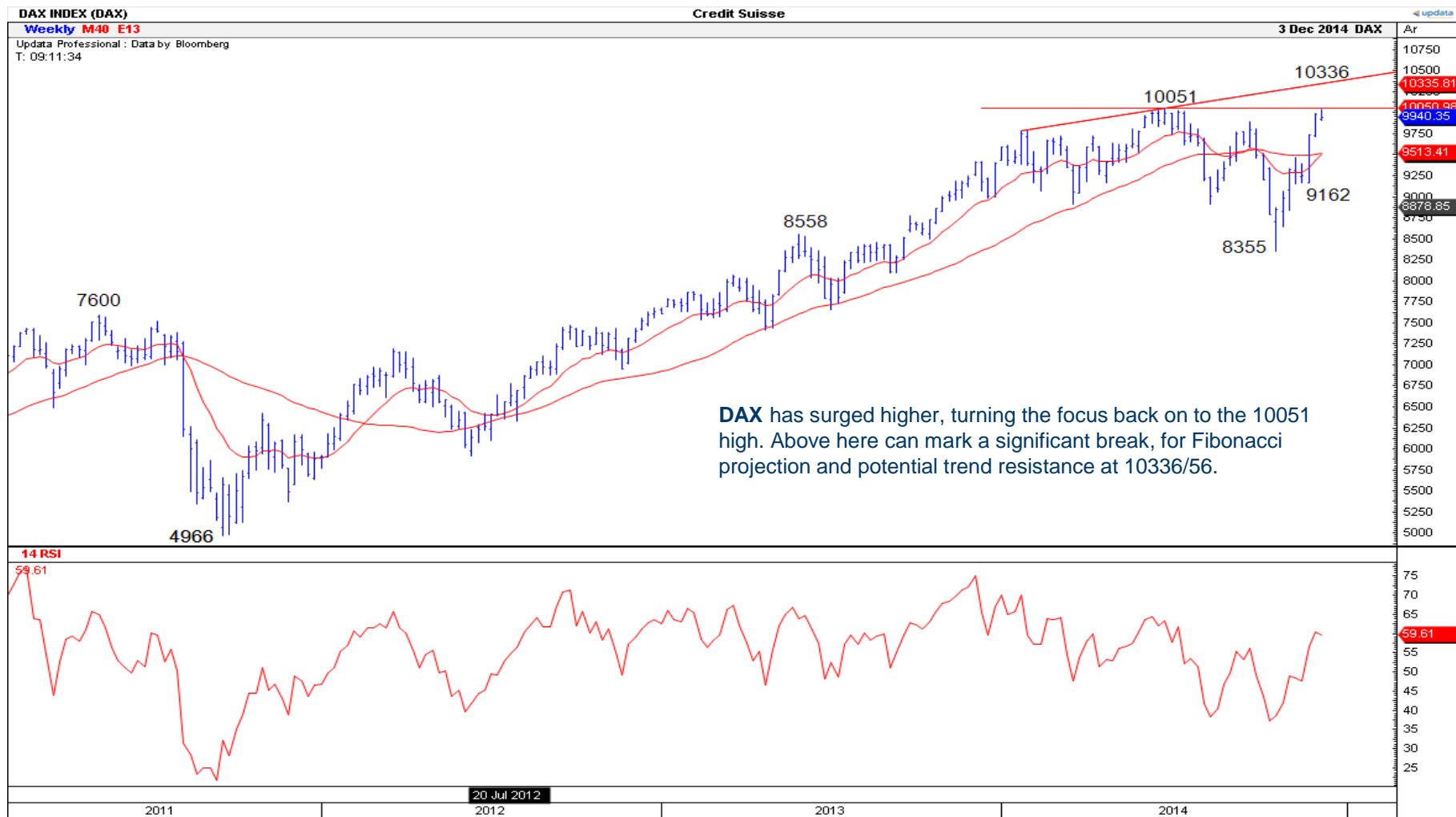
Source: CQG, Credit Suisse

# Europe Stoxx 600 may be close to an important break higher



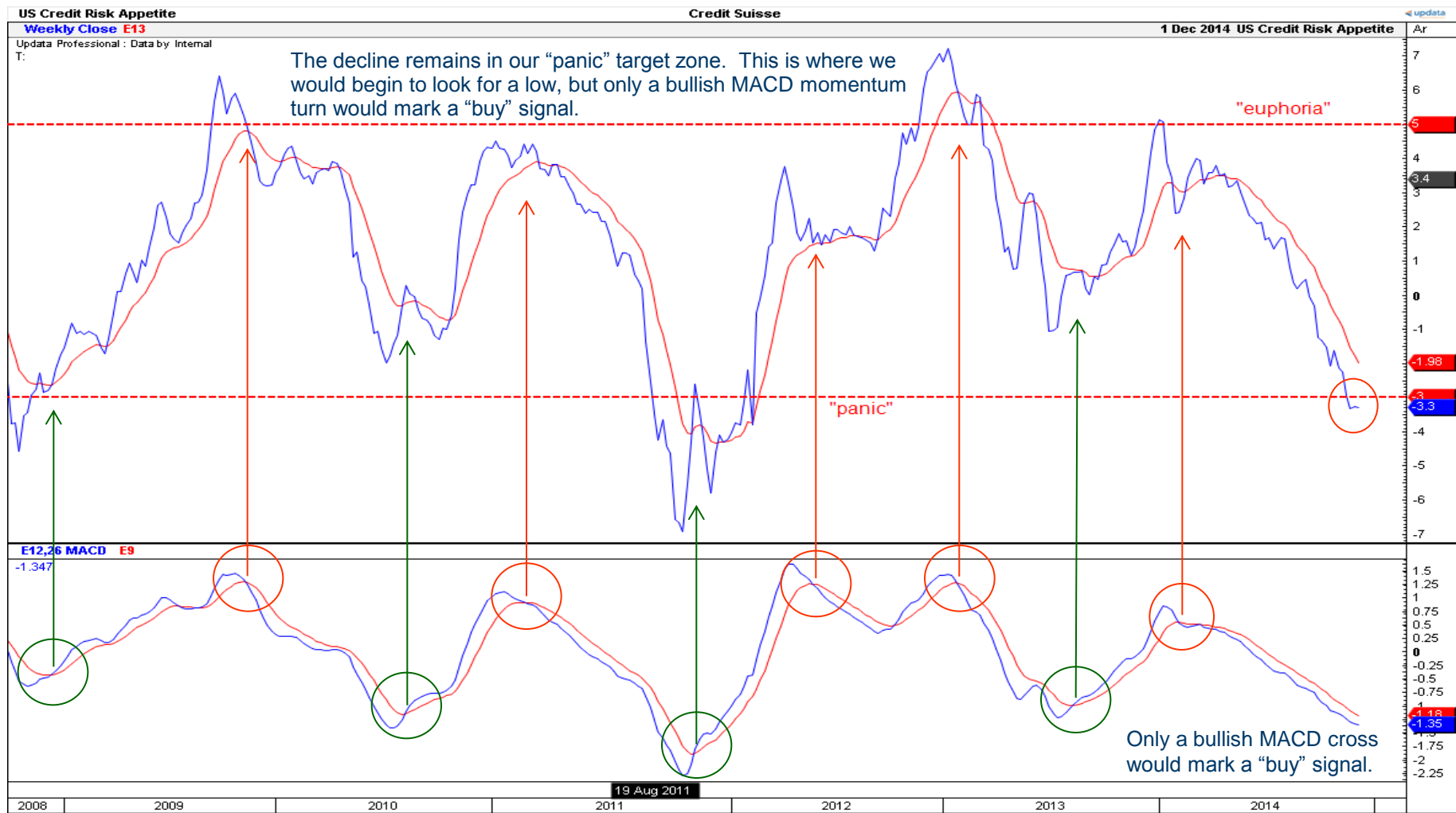
Source: Udata, the BLOOMBERG PROFESSIONAL™ service, Credit Suisse

# DAX is retesting the 2014 highs at 10051



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

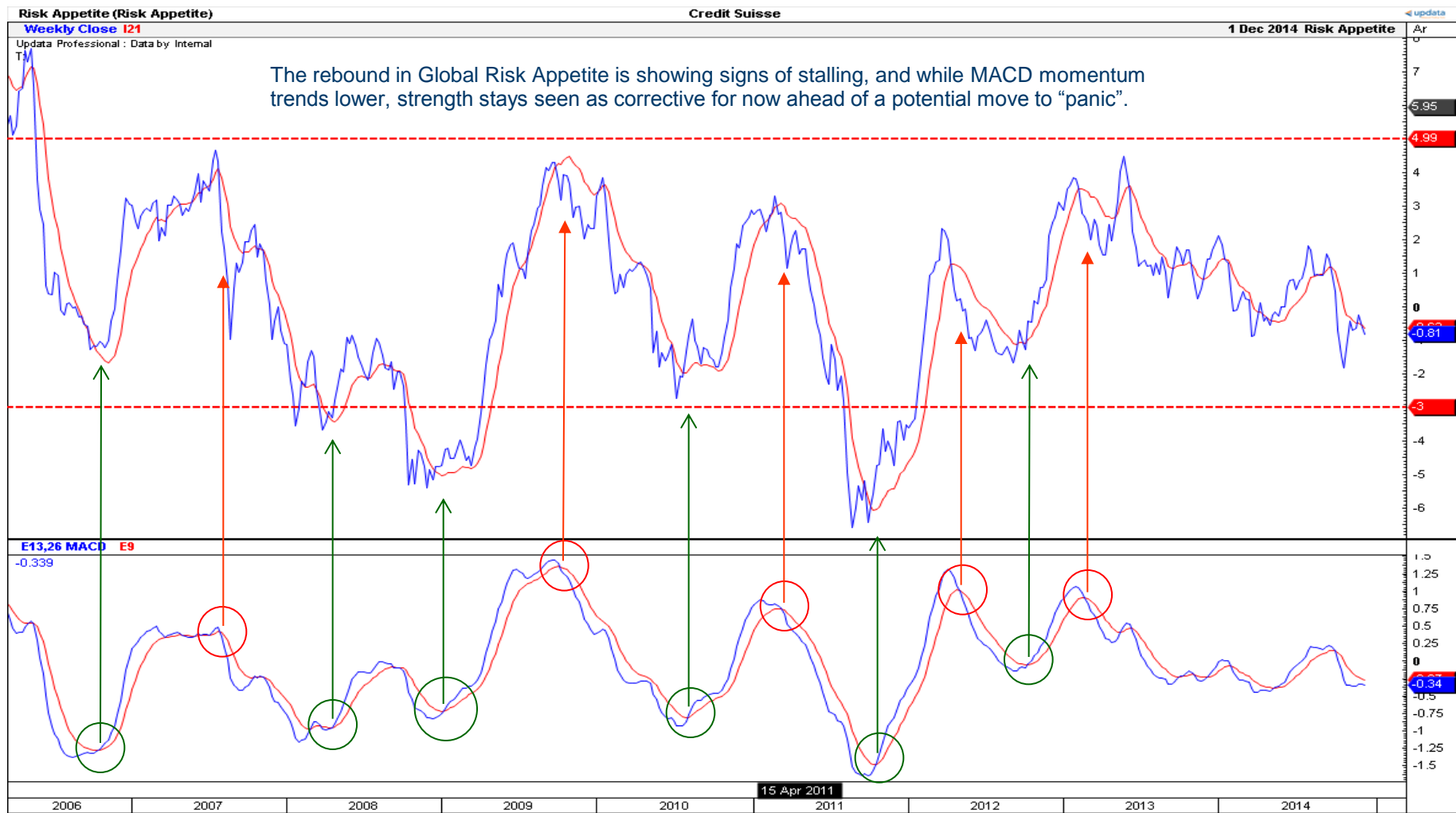
# US Credit Risk Appetite has achieved our “panic” target



Source: Uputa, Credit Suisse

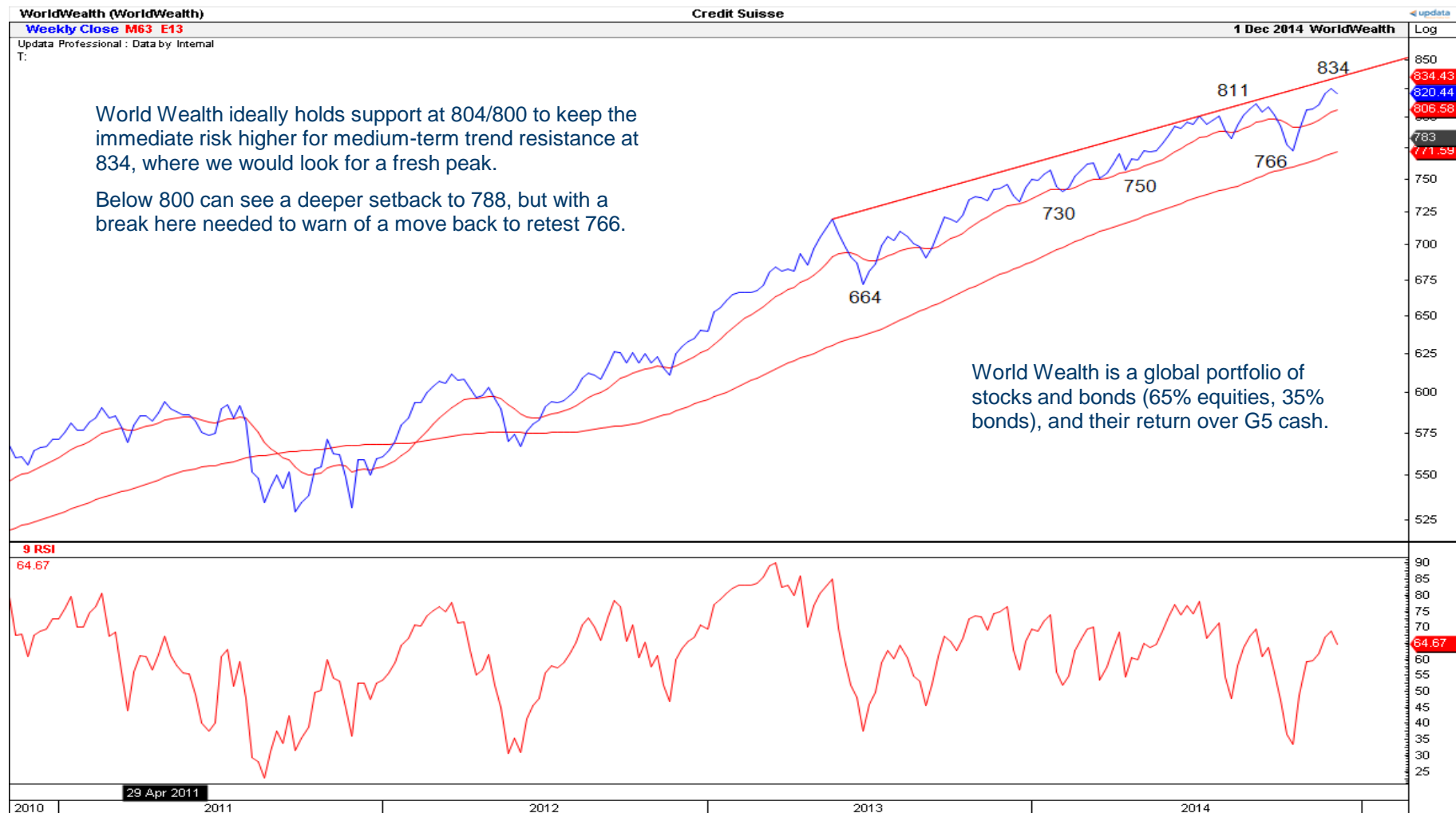
## Other Core Themes & Charts

# Global Risk Appetite risk is still seen lower



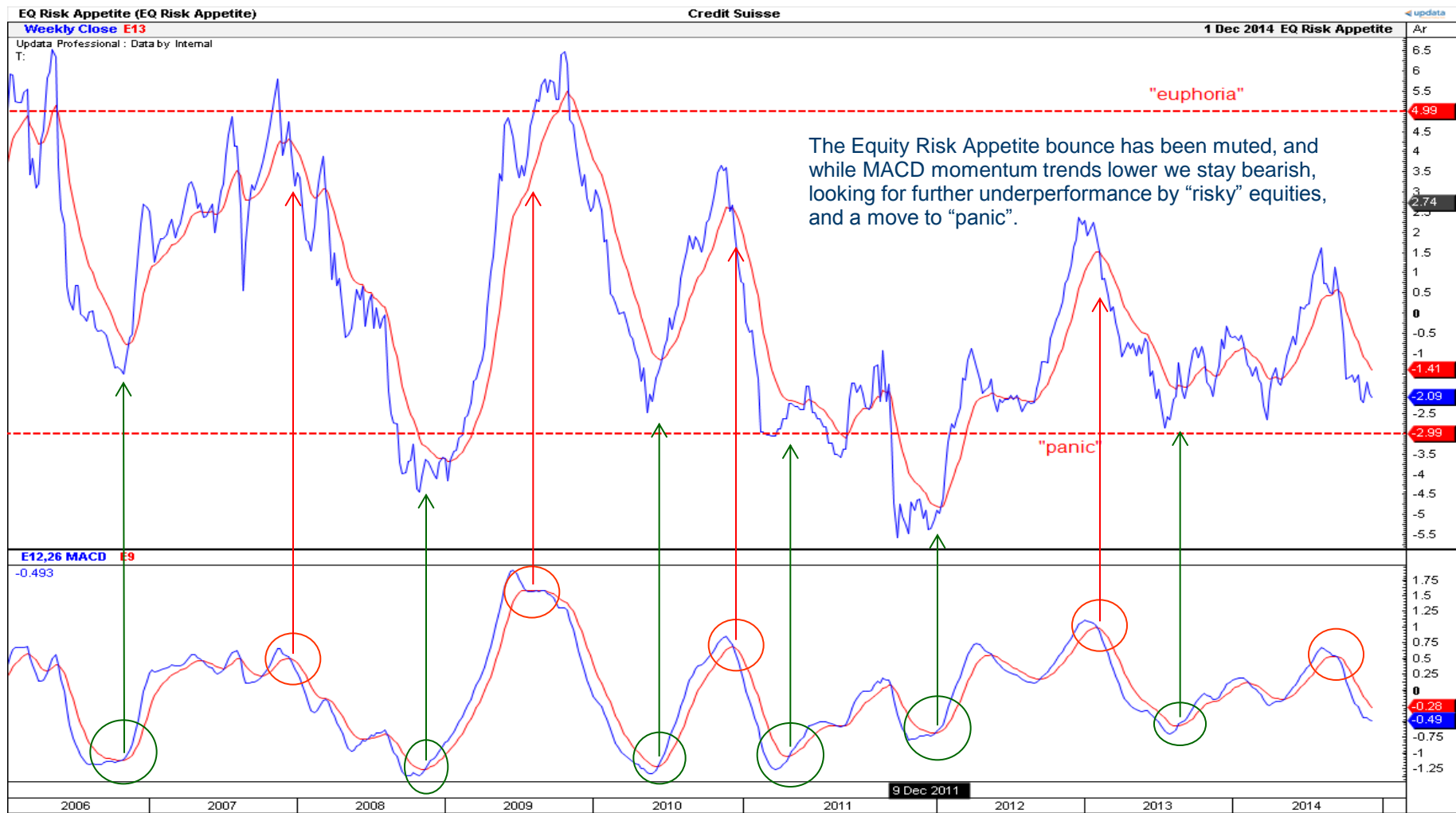
Source: Update, Credit Suisse

# World Wealth maintains its break to a new record high



Source: Updata, Credit Suisse

# Equity Risk Appetite stays bearish



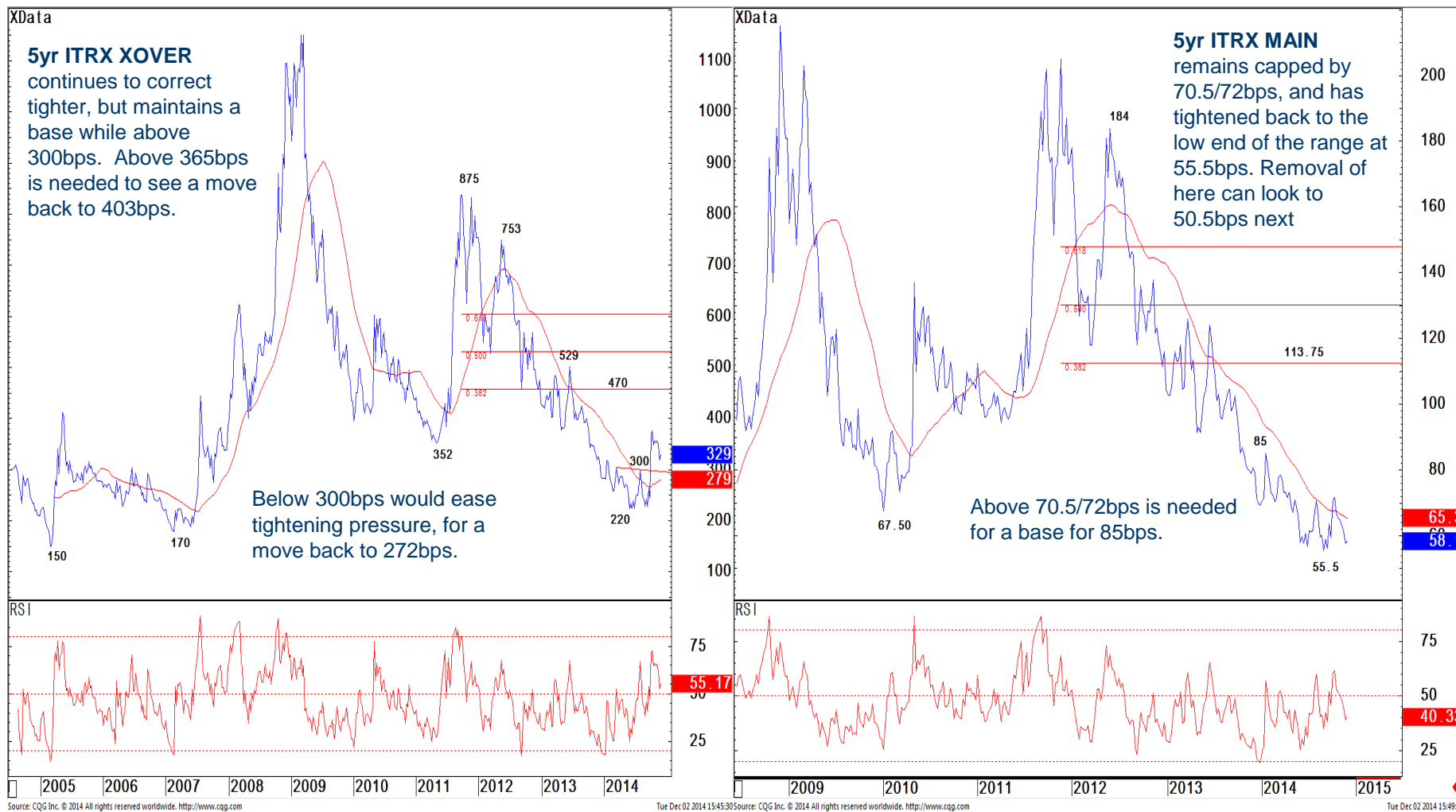
Source: Uptada, Credit Suisse

# US HY Credit spread needs to hold 320bps to maintain thoughts of a base



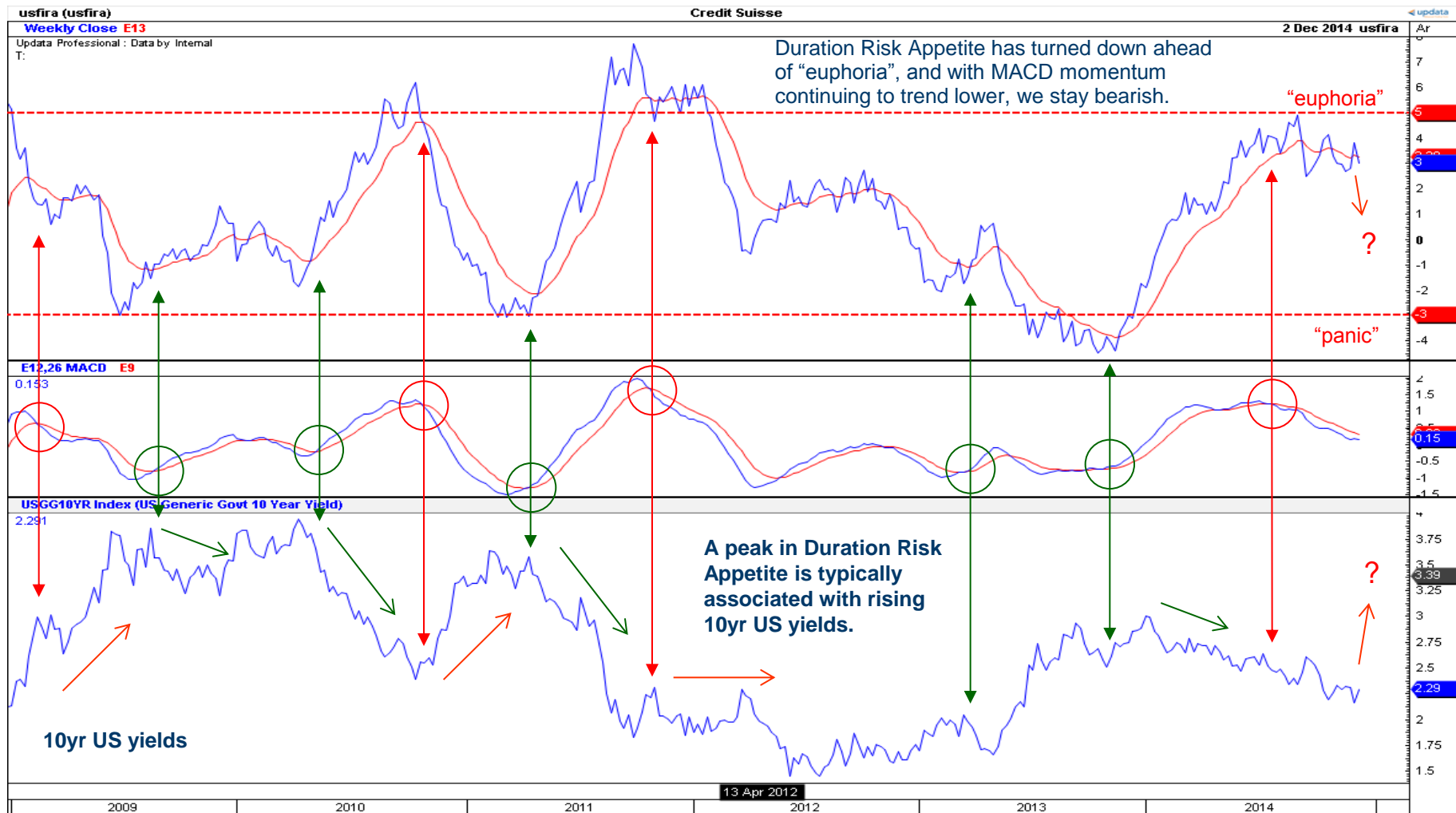
Source: CQG, Credit Suisse

# EUR ITRX XOVER maintains a base while above 300bps; MAIN has settled back into a range



Source: CQG, Credit Suisse. \*iTraxx is a trademark of International Index Company Limited.

# US Duration Risk Appetite maintains its momentum “sell”

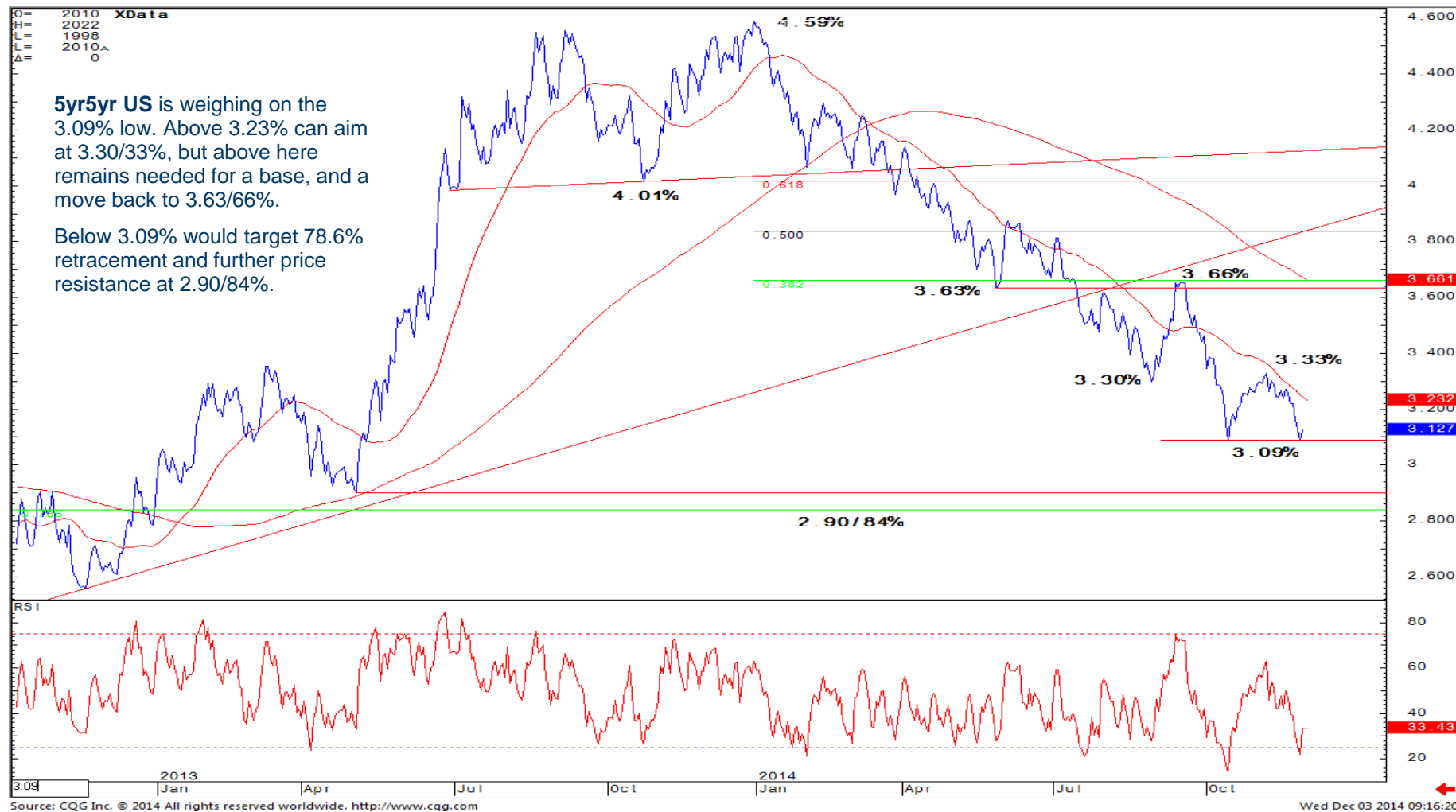


Source: Updata, the BLOOMBERG PROFESSIONAL™ service, Credit Suisse

# 10yr US yields need to hold below 2.30% to stay directly bullish; 5s10s resolves its range lower to target 53/50bps

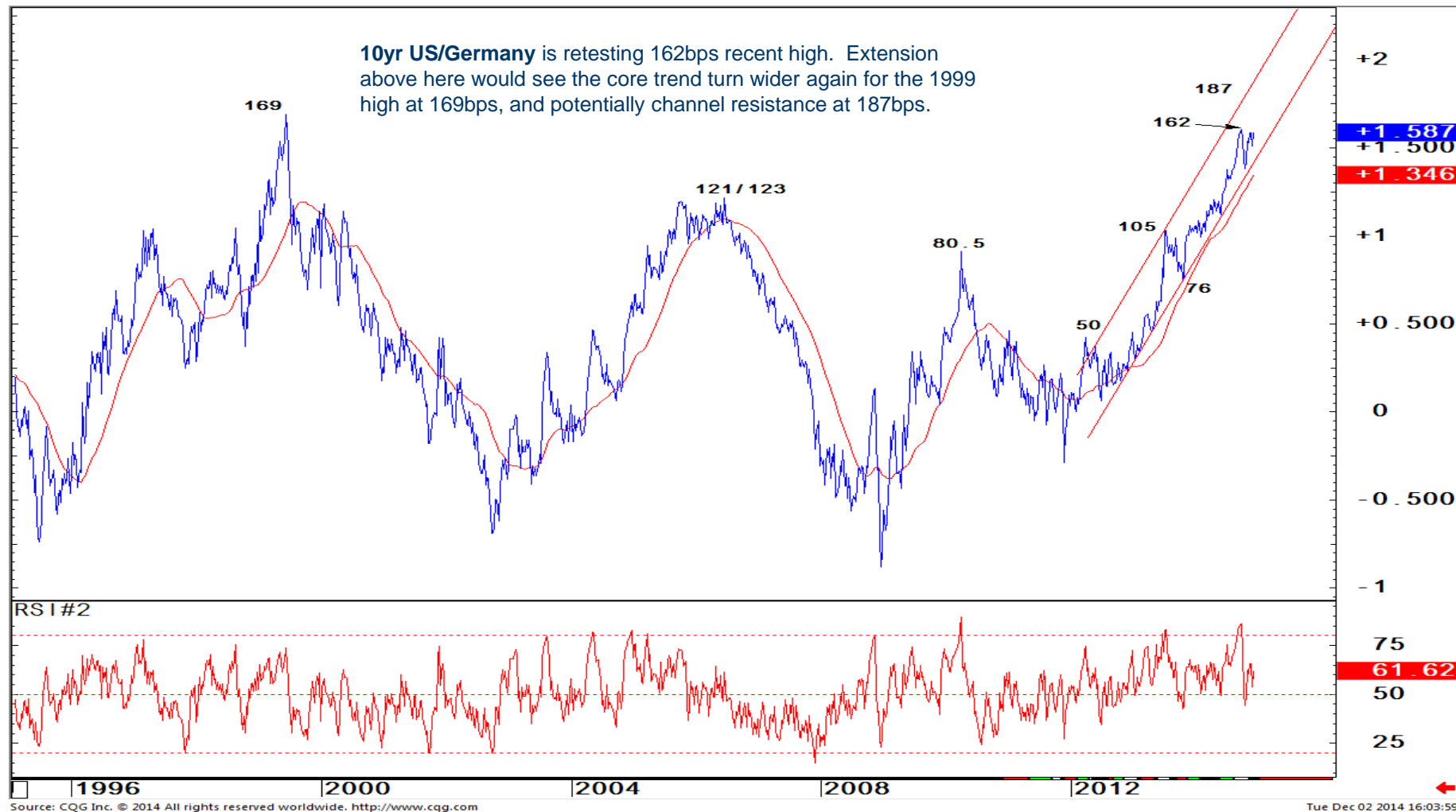


# 5yr5yr US holds the 3.09% low, but only above 3.30/33% would see a bearish reversal



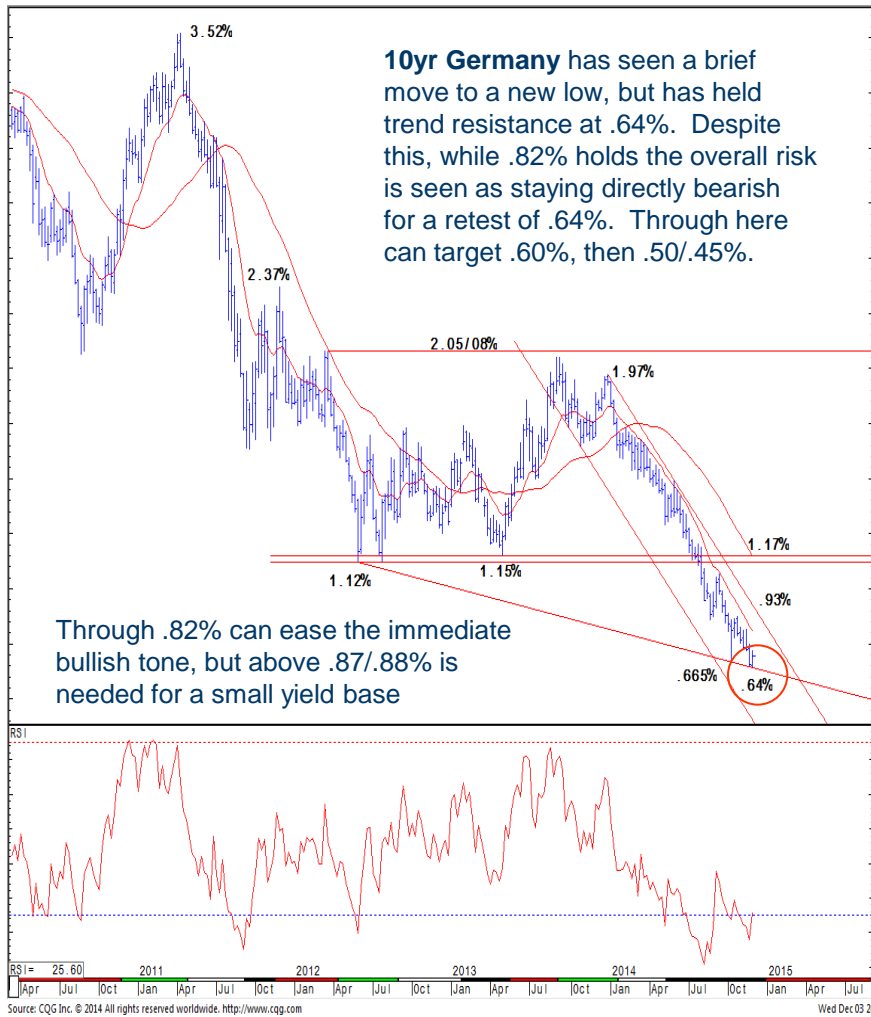
Source: CQG, Credit Suisse

# 10yr US/Germany above 162bps would target the 169bps high, and potentially 187bps



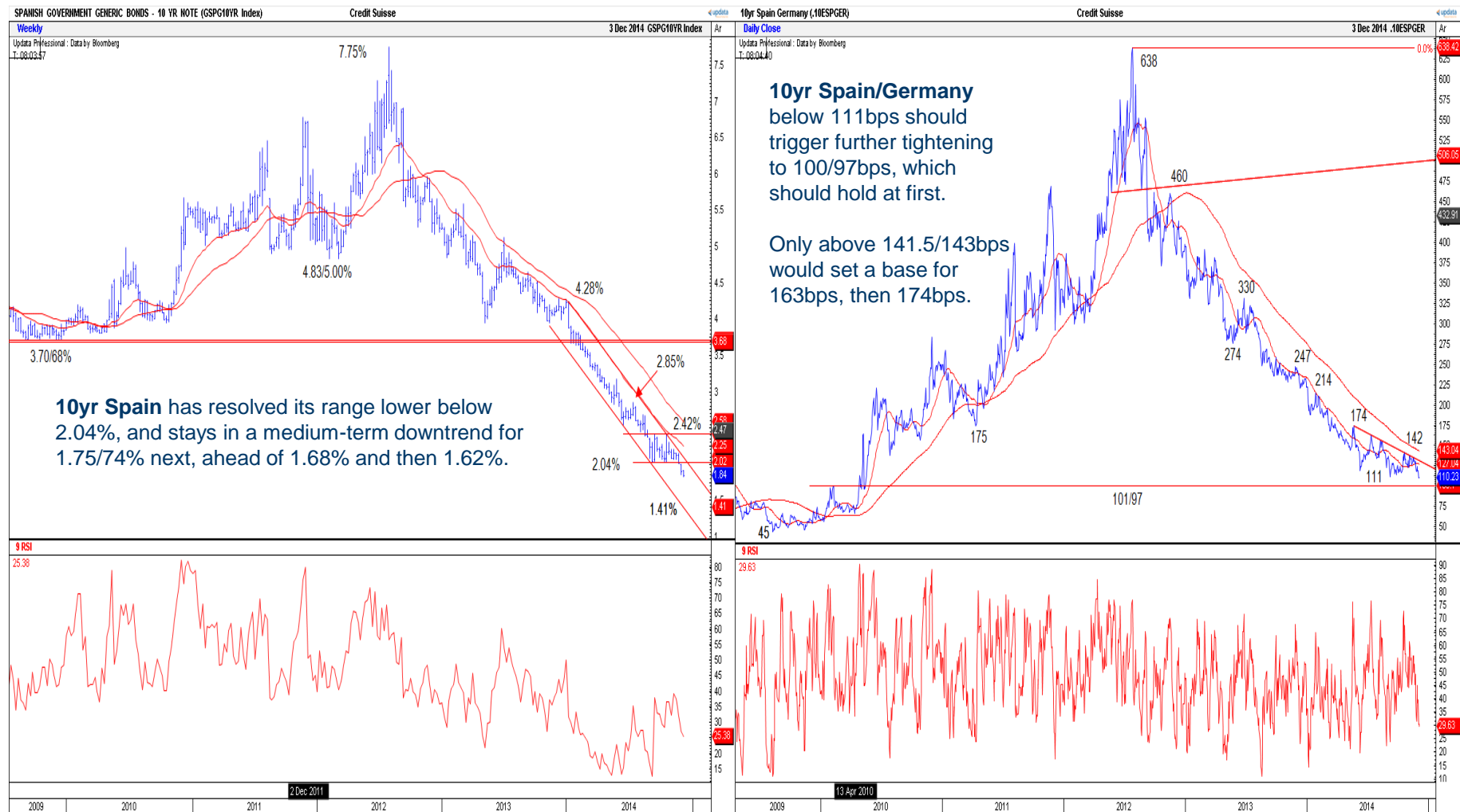
Source: CQG, Credit Suisse

# 10yr Germany holds trend resistance, but the risk is still seen bullish for now; 5s30s maintains a large top



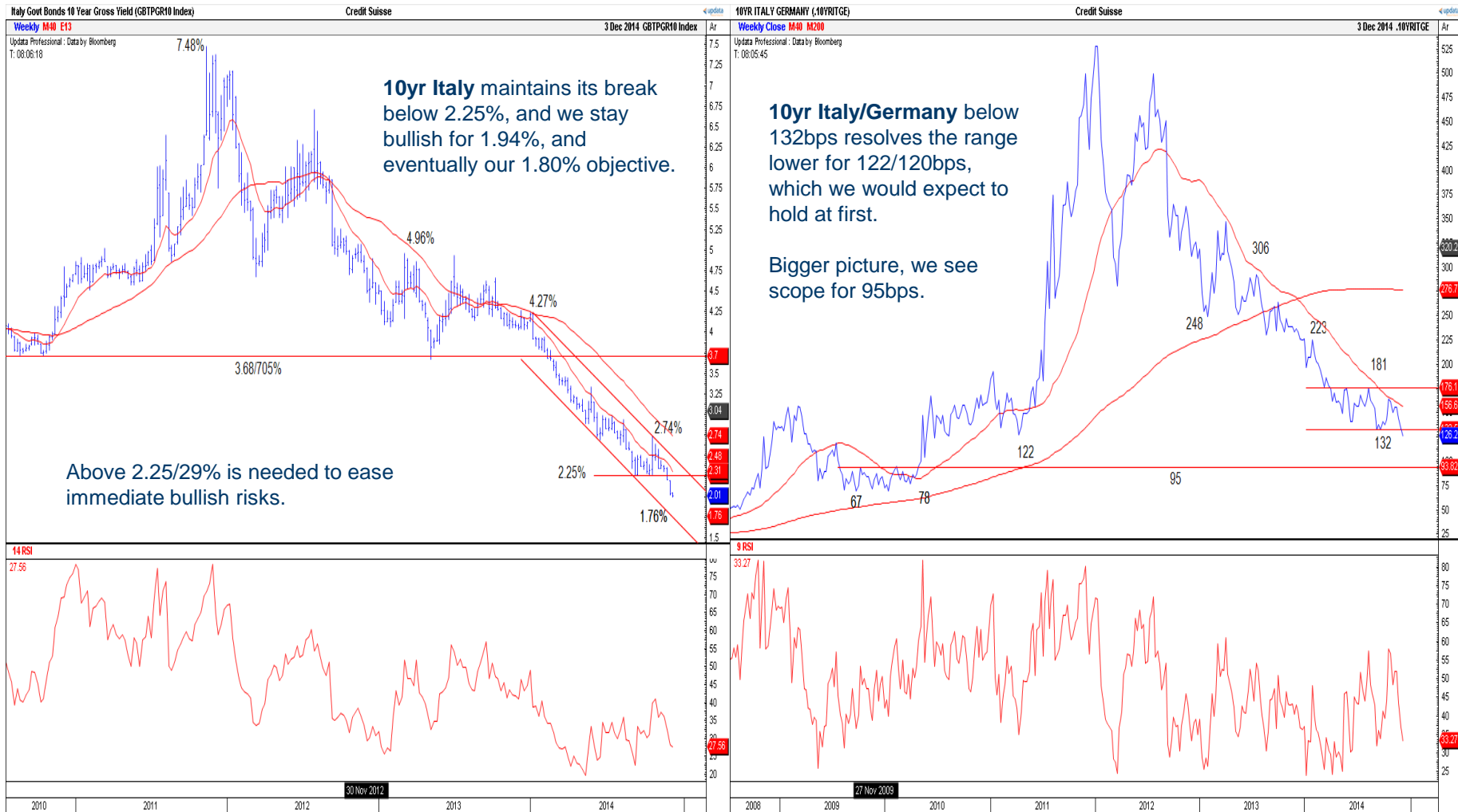
Source: Uptada, the BLOOMBERG PROFESSIONAL™ service, CQG Credit Suisse

# 10yr Spain remains in a medium-term bull trend; 10yr Spain/Germany should tighten further



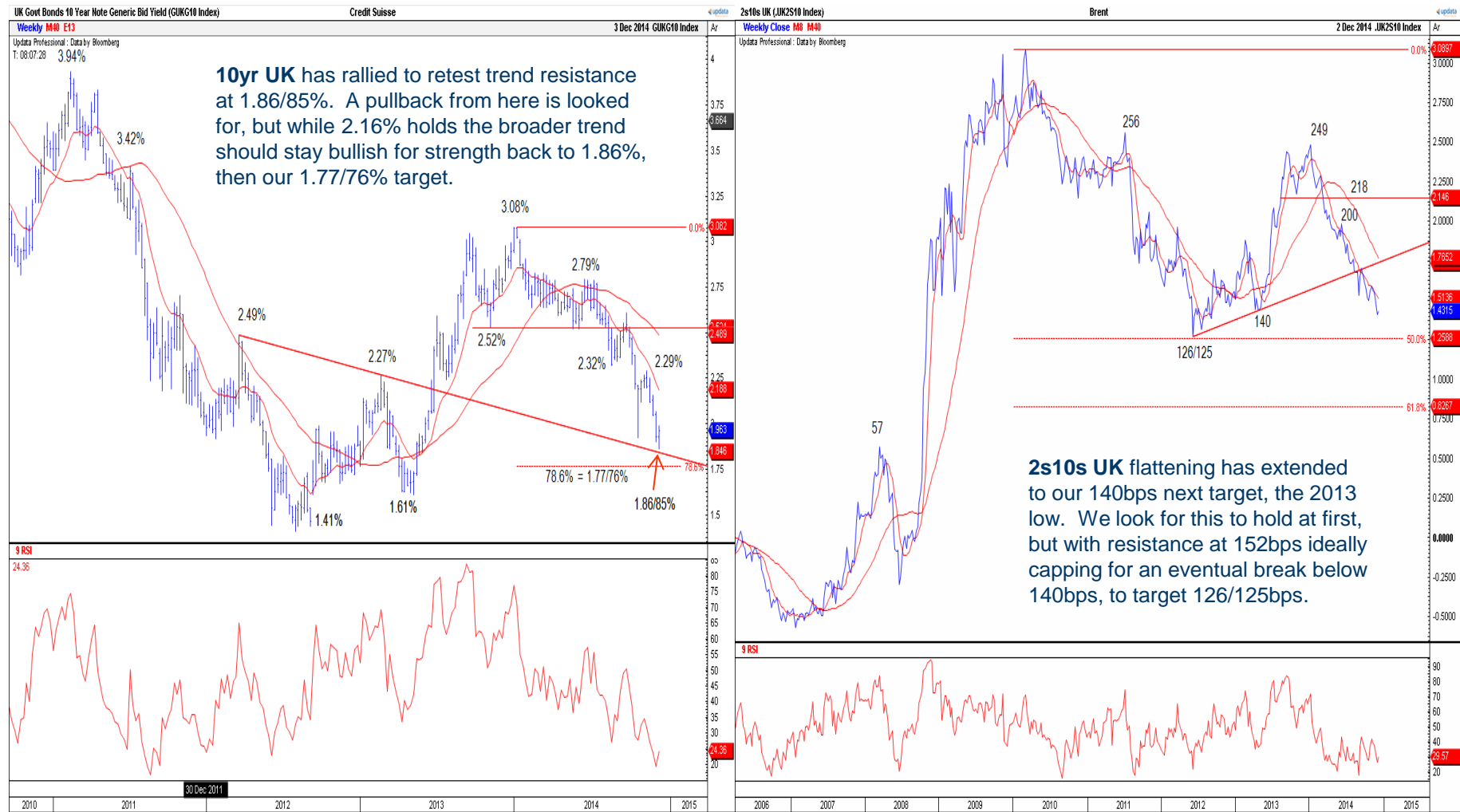
Source: Uputa, the BLOOMBERG PROFESSIONAL™ service, Credit Suisse

# 10yr Italy remains in a medium-term bull trend for 1.80%; 10yr Italy/Germany resolves its range lower



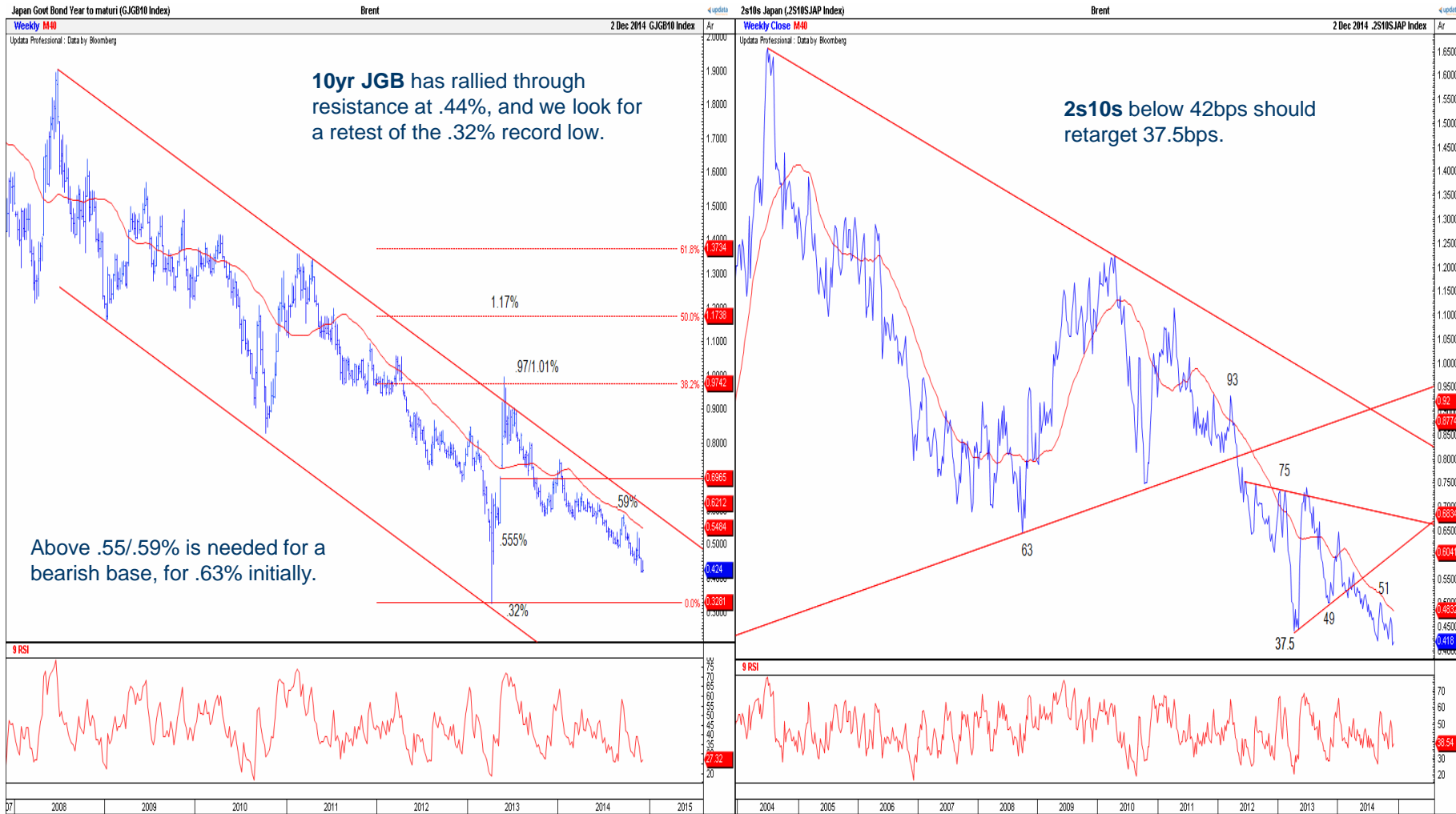
Source: Uputa, the BLOOMBERG PROFESSIONAL™ service, CQG, Credit Suisse

# 10yr UK is expected to hold 1.85% for now; 2s10s is expected to hold 140bps at first



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

# 10yr JGB retargets the .32% record low; 2s10s below 42bps would retarget 37.5bps

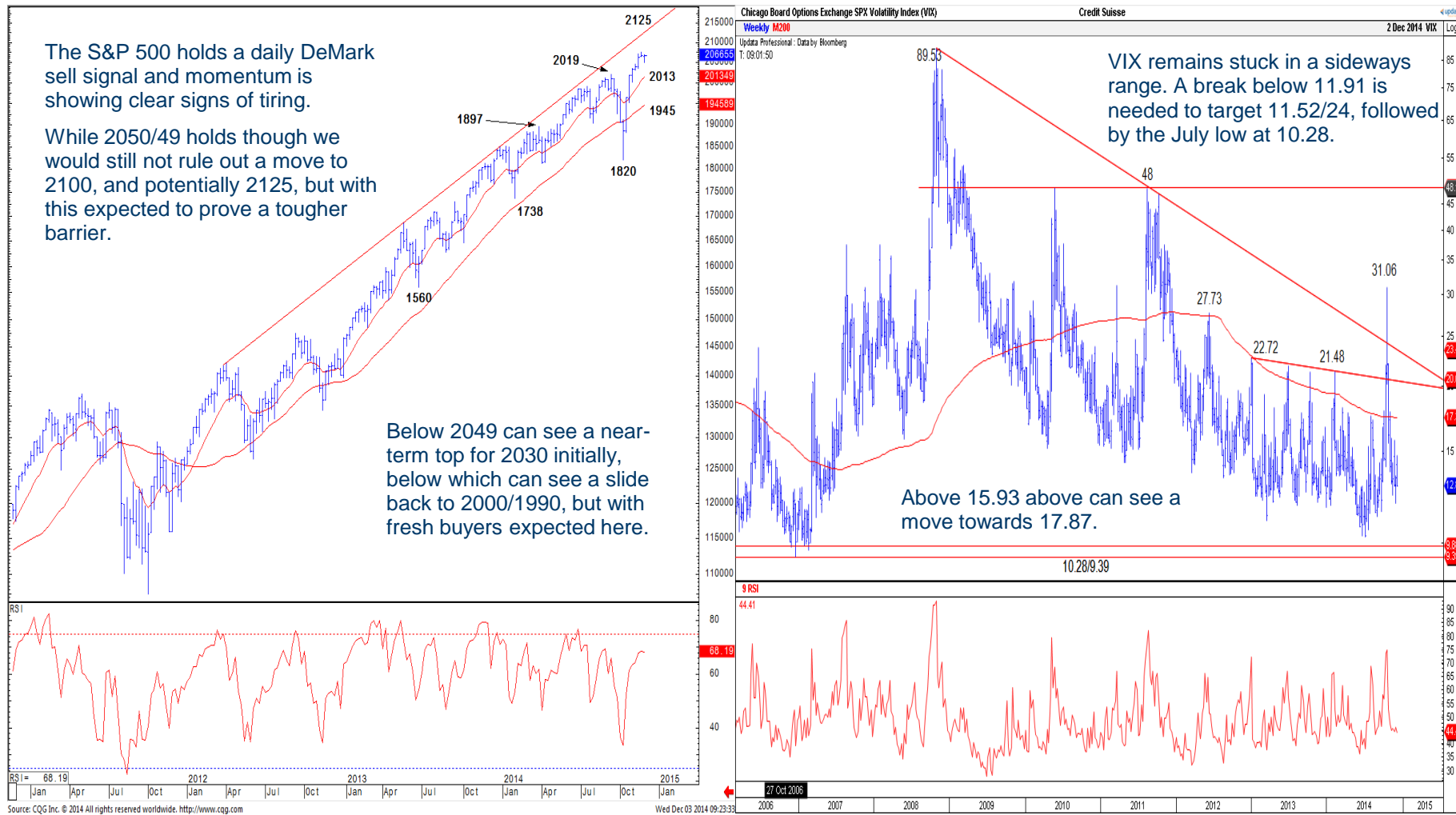


# MSCI World has rallied to the top of its range



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

# S&P 500 uptrend is losing momentum, but stays bullish for now; VIX remains sideways



# IBEX has negated its top; MIB stays capped by its downtrend



# Nikkei stays bullish for 18300, and eventually 19115; TOPIX Banks may be close to an important bullish break



Source: CQG, Credit Suisse

# Gold consolidates sideways for now, but we stay bearish



# Copper tests the year's low at \$6321, and we stay bearish beneath here for \$6038, then \$5800



Source: CQG, Credit Suisse



