

Global Equities

	DJIA	S&P 500	NASDAQ	FTSE	SHANGHAI A	NIKKEI 225	HS I
High	10,363.24	1,097.50	2,251.42	5,319.48	2,686.48	9,254.19	20,592.46
Low	10,121.81	1,072.14	2,216.04	5,180.98	2,643.39	9,176.12	20,384.73
Close	10,322.30	1,093.67	2,245.89	5,313.81	2,685.60	9,220.88	20,589.70
Net Change	201.77	24.08	58.56	99.17	28.35	-57.95	102.47
% Change	1.99	2.25	2.68	1.90	1.07	-0.62	0.50

Currencies

	EUR / USD	USD / JPY	GBP / USD	USD / CHF	AUD / USD	NZD / USD	USD / CAD
High	1.2929	87.22	1.5296	1.0512	0.8953	0.7272	1.0503
Low	1.2739	86.35	1.5152	1.0394	0.8739	0.7099	1.0355
Close	1.2888	86.93	1.5267	1.0428	0.8931	0.7246	1.0388

Bonds Yields / Commodities / Crosses

	10 Yrs UST	Crude Oil Future	CRB	GOLD	GBP/JPY	EUR / JPY	EUR /GBP
High	105-13/32	79.42	266.86	1,200.10	133.31	112.75	0.8466
Low	104-22/32	76.16	261.53	1,181.50	130.87	110.03	0.8388
Close	104-27/32	79.12	266.86	1,195.20	132.70	112.02	0.8440
Net Change	2.93% (Yield)	2.56	5.33	10.00			

Key News of the day

The euro gained more than 1 percent against the dollar on Thursday as strong euro zone economic data and U.S. corporate earnings rekindled hopes for the world economy and whetted investor appetite for risk. The euro rose above \$1.29 after data showed surprisingly robust growth in European manufacturing and services, but uncertainly ahead of Friday's European bank stress test results prevented a retreat of a recent 10-week high above \$1.30. High-yielding, commodity-linked currencies such as Aud and Cad also rose sharply against the greenback as risk appetite recovered.

Federal Reserve Chairman Ben S. Bernanke said extending the tax cuts passed during former President George W. Bush's administration would help strengthen a U.S. economy still in need of stimulus. "In the short term I would believe that we ought to maintain a reasonable degree of fiscal support, stimulus for the economy," Bernanke said today in testimony before the House Financial Services Committee. "There are many ways to do that. This is one way." Bernanke aims to bolster the faltering economic recovery while urging lawmakers to reduce federal budget deficits in the medium term, which he defined today as the period from 2013 to 2020.

New York-based Conference Board's leading economic index fell 0.2% to 109.8 level in June vs a rise of 0.5% last time. Consensus forecast was for -0.3 M/M. Four of the 10 index indicators made negative contributions to the month's dip. The LEI diffusion index rose to 60 from 40 in May. The LEI is up 8.4% Y/Y but the pace is slowing down a bit.

Purchases of existing houses dropped a less-than-forecast 5.1 percent to a 5.37 million annual rate, figures from the National Association of Realtors showed today in Washington. The number of transactions will be "very low" in coming months, reflecting the end of the government incentive, the group's chief economist said in a news conference. Existing home sales were forecast to decline to a 5.18 million pace.

Initial jobless claims jumped by 37,000 to 464,000 in the week ended July 17, exceeding the highest estimate of economists surveyed by Bloomberg News, Labor Department figures showed today in Washington. The survey projected claims would climb to 445,000. The number of people receiving unemployment insurance and those getting extended payments dropped by 223,000 in the week ended July 10 to 4.49 million.

Canadian retail sales unexpectedly fell 0.2 percent in May because of lower receipts at building material stores and gasoline stations. The decline reflected falling prices, as sales in volume terms rose 0.4 percent.

European consumer confidence improved more than economists forecast in July amid signs the region's sovereign-debt crisis is easing. An index of consumer sentiment in the 16-nation euro area increased to minus 14.1 from minus 17.3 in June, the Brussels-based European Commission said today in an initial estimate. That's the highest since May 2008.

A composite index based on a survey of euro-area purchasing managers in both industries rose to 56.7 from 56 in June, London-based Markit Economics said today. Economists had projected a drop to 55.5. An index of euro-area services, which account for about 60 percent of the region's gross domestic product, rose to 56 in July from 55.5 in the prior month, Markit said. A gauge of euro-area manufacturing rose to 56.5 from 55.6 in June.

UK retail sales were certainly boosted by World Cup euphoria in Jun, before the team deflated aspirations, with a stronger than expected 0.7% m/m rise (+0.5% consensus), and from a firmer 0.8% rise in May after revision (was 0.6%).

PBOC vice gov says China may publish the nominal effective exchange rate of the Yuan in the future, which would lessen the focus on the currency's exchange rate vs the Dollar. Hu adds the Yuan may fluctuate against any single currency but maintain overall stability against a basket of currencies. The central banker adds China's big trade surplus, at Usd 20bln-plus again, shows companies are able to withstand the exchange rate adjustment.

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US Equities

The Dow Jones industrial average surged as much as 242 points Thursday after the release of a rash of strong profit reports and a better-than-expected reading on existing home sales.

General Motors said it will buy auto financing firm AmeriCredit in a \$3.5 billion all-cash deal. The deal gives GM a lending unit after selling its majority stake in GMAC in 2006. The deal was also seen as a key step as GM prepares its initial public offering for later this year, after the government restructured it in bankruptcy. AmeriCredit shares jumped 21%.

Caterpillar reported higher quarterly sales and earnings that topped estimates due to better sales of gear for the mining, infrastructure and energy industries. It also boosted its 2010 profit forecast. Shares +1.50%. 3M reported higher quarterly sales and earnings and said that full-year 2010 profit will exceed its earlier targets, thanks to strong demand in both the United States and abroad. The company is seen as a good proxy for the economy due to the breadth of its business, which includes everything from Scotch tape to films for flat-screen TVs. Shares +2.75%. UPS reported higher quarterly sales and earnings that topped estimates and said that 2010 earnings will surpass its earlier forecasts. The delivery company cited an increase in package revenue in both the United States and abroad. Shares +5.49%.

AT&T reported higher quarterly earnings that topped estimates and higher revenue that was shy of estimates. It also lifted its 2010 f/c, citing cost cutting and a surge in wireless business, thanks to its exclusive iPhone deal with Apple. Shares +2.40%. Late Wednesday, eBay reported higher quarterly sales and earnings that topped estimates, thanks to strength at its PayPal only payments unit. It also lowered the high end of its full-year 2010 profit forecast, citing the impact of the weaker euro. Shares +3.57% Thursday. Microsoft and American Express report results after the close Thursday.

World markets snapshot, European markets rose, with FTSE 100 +1.5%, DAX +0.4% and CAC 40 +0.8%. Asian markets ended mixed. Nikkei -0.2%, Hang Seng index +1.1% and the Shanghai Composite index +0.3%.

Breadth was positive. On the New York Stock Exchange, winners beat losers by six to one on volume of 500 million shares. On the Nasdaq, advancers beat decliners by five to one on volume of 1.11 billion shares.

Key Economic Data & Events on July 23

Country	GMT/HKT	Release	For	Median	Previous
GER	08:00/16:00	Ifo Business Climate Index	JUL	101.60	101.80
GER	08:00/16:00	Ifo Business Expectations	JUL	101.60	102.40
GER	08:00/16:00	Ifo Current Conditions Index	JUL	101.70	101.10
UK	08:30/16:30	Preliminary Gross Domestic Product, Q/Q, Y/Y	Q2	0.6%/1.1%	0.3%/-0.2%
CAN	11:00/19:00	Consumer Price Index, NSA M/M, Y/Y	JUN	0.0%/1.0%	0.3%/1.4%
CAN	11:00/19:00	Core Consumer Price Index, NSA M/M, Y/Y	JUN	0.1%/1.8%	0.3%/1.8%
EMU	16:00/00:00	Stress Test Results	-	-	-

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