

Subject: FW: NY Spot Desk Morning Report-6 October

From: Martin Zeman <[REDACTED]>

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To: "Paul Barrett ([REDACTED])" <[REDACTED]>

Cc: Xavier Avila <[REDACTED]>,  
Davide-A Sferrazza <[REDACTED]>,  
Vahe Stepanian <[REDACTED]>,  
Stewart Oldfield <[REDACTED]>,  
Joshua Shoshan <joshua.shoshan@db.com>

Good morning - Our spot desk view for your EUR puts, Paul.

#### TODAY'S DATA

- US- NFP-Wholesale Trade-Consumer Credit
- CAD- Employment-IVEY Purchasing Managers
- FED's Bostic-Dudley-Kaplan speaking

#### MARKET SUMMARY / WEEK AHEAD PREVIEW

Hurricanes Harvey and Irma effects have set up a very low bar for NFP today with market consensus for +80k rise. The Usd is bid, with DXY hitting its highest level since July along with US yields continuing to trade higher. Gbp and Aud have been the big losers this week and both still stand to lose further ground on an above consensus print. We would favor fading both on any disappointment . We also get latest Canadian jobs update and hear from the Fed's Bostic, Dudley, Kaplan and Bullard as well as the BoE's Haldane and the ECB's de Galhau and Nowotny.

#### FRANCHISE COMMENTARIES

EUR: (John Carrion)

EURUSD - Support: 1.1662 (Aug-17 low), 1.1613 (med-term  
support) Resistance: 1.1815 (high this week), 1.1833 (Friday high)

USD rates and USD is the leader here across the board. We have been arguing for a few days euro should be trading lower but the demand for euros has been consistent. We finally have filled the bids and we have some stress in the order board for the next big figure. Watch rates and the USD for direction even though you have added the catalyst of tape bombs out of Spain. Stay short looking for 1.16 to rethink.

GBP: (John Carrion)

GBPUSD - Support: 1.3017 (100 dma)  
Resistance: 1.3131 (55 dma), 1.3222 (3'rd Oct  
low)

EURGBP - Support: 0.8907 (100 dma)  
Resistance: 0.9013 (55 dma)

The pound is in trouble as it breaks big tech levels and people bail on their longs. The noise out of Gov't continues to worsen and it's a matter of time to we reach a head. Our Oliver Harvey has written a really good piece on possible outcomes and probabilities that is def worth a read.

This along with the break up of DXY gives us no reason to step off the gas on shorts. I would imagine 1.30 should offer some support but at this point we expect much lower levels. If Theresa May steps down we might actually see a sell the rumor buy the fact price action and would be weary of selling in the whole on a headline.

JPY (Habibi Salib)

USDJPY - Support: 111.93 (200DMA), 111.39 ( top daily  
cloud) Resistance: 113.26 (27/09 high),  
114.495 (July 11 high)

EURJPY - Support: 131.75 (26/9 Low), 130.64 (15/09 low), 130.88  
(55DMA) Resistance: 134.40 (22/09 High)



A big move for the USD yesterday was finally enough for USDCAD to eradicate the 1.2420-40 resistance zone that had been holding in. I expect economic data to be the primary driver today, with payroll data on tap from the US, and payroll and PMI data for Canada. Without any notable resistance levels within 100 pips, we continue to favor buying USDCAD dips. In my estimation, the combination of better than expected US data and worse than expected Canadian data could see a quick move toward the 1.2663 Aug 31 swing high.

CHF: (Brendan Halligan)

USDCHF - Support: 0.9655 (100DMA), 0.9637 (38.2% of Sept advance)  
Resistance: 0.9836 (200DMA)

EURCHF - Support: 1.1415 (50DMA), 1.1362 (Sep 8 low)  
Resistance: 1.1623(22/09 high)

We had a very strong close in USDCHF yesterday, as we closed above .9774, which was the 38.2% retrace of the December – Sept decline. We prefer not to chase USD longs at these levels but will reassess this view on a weekly close above the 200 day moving average.

Skandi: (Michael Bilbe)

EURSEK - Support: 9.4575 (Aug low), 9.4130 (YTD low)  
Resistance: 9.6230 (100dma) 9.6680 (high last week)

EURNOK - Support: 9.3250 (55dma), 9.2370 (200dma)  
Resistance: 9.4310 (Sept high)

We got comments from Ingves earlier in the week highlighting that they must be vigilant on services prices so it is unsurprising after the very strong service PMI that EURSEK has traded softly. The fundamentals remain strong (as highlighted by another extremely strong PMI yesterday) and the market is happy to have EURSEK shorts as a back burner trade, I feel similar about it and would look to add on a decent rally. EURNOK continues to struggle above 9.40 and feels like it is also set to hold a larger 9.40/9.25 range. I am short against 9.43. It feels like some month end flows may have kept both crosses supported last week so I think we are set to drift lower from here.

## Metals (Habibi Salib)

XAUUSD - Support: \$1272 (100 DMA) \$1250 (200 DMA)  
Resistance: \$1303 (21Sep17 High)  
\$1337.64 (13Sep17 High)

XAGUSD- Support: \$16.63 (16Aug Low), \$16.35 (61.8%  
Fib) Resistance: \$18.21 (8Sep17  
High), \$18.65 (YTD High)

Gold had been trading below the 100 DMA the most part of this week. It's worth mentioning that Gold is still hovering around vulnerable levels, we anticipate a drift lower towards the 200 DMA and psychological \$1250 level in line with the broad USD strength thesis so this relief rally could be a means for improving averages for the bears. With equities still relentlessly marching upwards, the short ratio trade is the only plausible one with XAGs grind lower slowing down and with a 76oz handle in play, 71 should be the near term target as risk stabilizes further.

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Martin Zeman  
Director | Key Client Partners

Deutsche Bank Wealth Management  
DB Securities Inc

[REDACTED] 0154-0004 New York, NY, USA  
Tel. [REDACTED]

Mobile  
Email

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