

## Theme Comment

- Risk took a backseat in overnight trading as Sony presented lower than expected earnings and furthermore stated that the troubles in Europe could have a “significant impact” on its business. Earlier this morning, however, analysts saw their estimates beaten by EADS (Airbus), which generated EPS of 0.130 vs. 0.048 expected.
- We have a bunch of important monthly US macro releases today led by retail sales and industrial production. Both are expected to increase. Weekly retail sales have been fairly strong in April considering that Easter came in March this year though auto sales were disappointing. A host of macro releases led by ISM Manufacturing point to increasing industrial production in the US. The overall improvement in data from the US furthermore hints at a good U. of Michigan Confidence number today.
- Also watch out for Business Inventories MoM (MAR) at 14:00 where we expect a slight increase of 0.3% (consensus: 0.4%) after a 0.4% increase in FEB.

## Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
US	12:30	Retail Sales / Ex Autos MoM (APR)	0.4% / 0.5%	0.2% / 0.4%	1.9% / 0.9%
US	13:15	Ind. Prod. MoM / Capacity Util. (APR)	0.4% / 73.6%	0.7% / 73.8%	0.1% / 73.2%
US	13:55	U. of Michigan Confidence (MAY)		73.5	72.2

FX	Daily stance	Comment
EURUSD	0	Look for consolidation abv 1.25. Expect a 1.25 -1.2680 wide range
USDJPY	0	Seen capped at 92.90 level setting up a 92.20-92.90 range.
EURJPY	0	A break below 115.80 would target 115.25 but generally expect a 115.80-117.0 range to hold.
GBPUSD	0	We may have seen a temp base at 1.4570 so look to trade a 1.4570-1.4670 range.
AUDUSD	0	See support coming in at 0.8925 for a 0.8925 -0.8990 range today.
USDCAD	0	May struggle above 1.0250 so look for a 1.0140-1.0250 range.

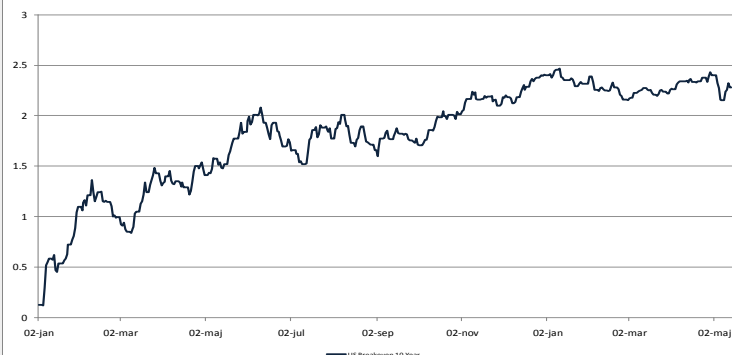
FX-Options	Comment
EURUSD	Vols traded heavy despite the spot move lower. Curve found some support in the NY session and seeing buyers for sub 1 mth 1.20 and 1.25 puts.
USDJPY	Vols unchanged from yesterday with spot languishing between 9250-9300. Back end has been pretty well supported lately and there were some buyers of downside 2-3m area.
AUDUSD	A few sellers in Asia but vols have mostly held on firm. We doubt vols will sell off hard especially in the middle of the curve but gamma likely to get hit if spot rallies back to 9000

Equities	Daily stance	Comment
DAX	0/+	Buy at the break of 6224 targeting 6260. S/L below 6210.
FTSE	0/+	Buy at the break of 5410 targeting 5434. S/L below 5400.
S&P500	0/+	Buy at the break of 1164 targeting 1170. S/L below 1161.
NASDAQ100	0/+	
DJIA	0/+	

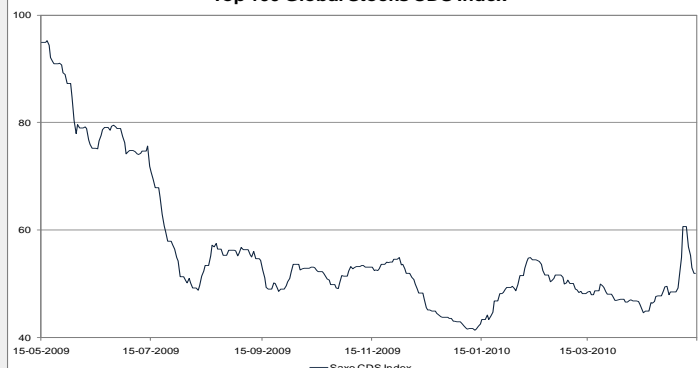
Commodities	Daily Stance	Comment
Gold	0/+	Buy on dips towards 1232 and target 1238. Stop below 1229.
Silver	0/+	Buy on dips towards 19.41 and target 19.54. Stop below 19.34.
Oil (CLM0)	0/-	Sell on rallies towards 74.40 and target 73.00. Stop below 74.90.

## Earnings Releases

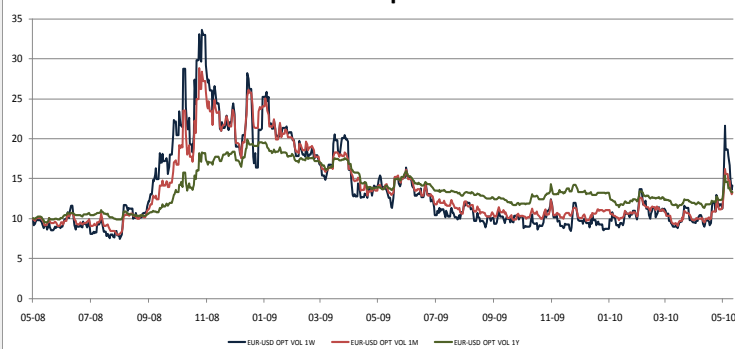
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment
US	11:50	JC Penney	0.252	1.020	

**US Breakeven 10 Year**


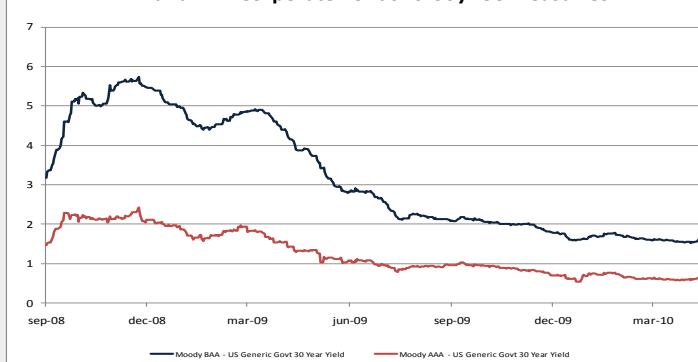
USD breakeven 10 Year – an expression for measuring inflation expectations.

**Top 100 Global Stocks CDS Index**


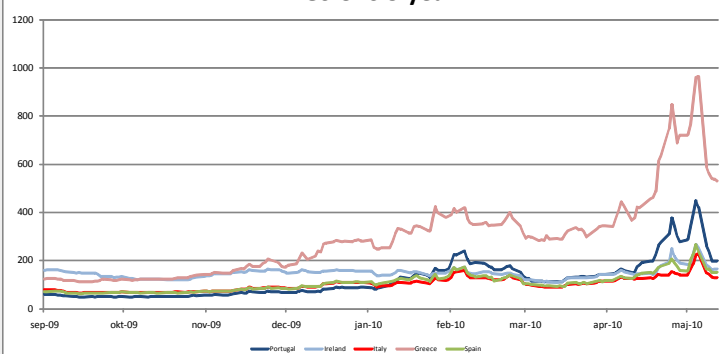
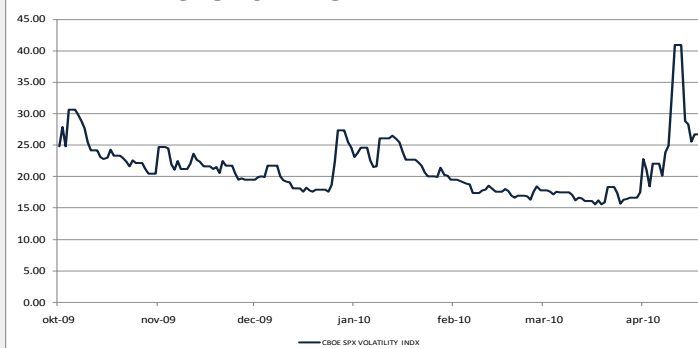
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 52.**

**EURUSD Opt. Vol.**


Volatility at different time horizons. Too low, now?

**AAA and BAA Corporate Bonds vs. 30yr US Treasuries**


Spreads are easing, but still **showing tight corporate debt markets.**

**PIIGS CDS 5 year**

**CBOE SPX VOLATILITY INDEX**


The VIX Index is **now at 26.68** (prev. close at 25.52).

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