

**Theme Comment**

- German financial regulator BaFin decided yesterday that we didn't have enough volatility in markets, so what do you do? You enact a naked short selling ban on gov't bonds and ten large financial stocks. Of course, both the time and place of this action is suspicious and will only act to make markets more nervous. Needless to say the EUR tanked on the news.
- US consumer price data will be released today and we and consensus are once again looking for a slight increase in both indices. The US recovery is on track, but rate hikes are still far away. Speaking of the latter, watch out for FOMC Minutes at 18:00 for any indications of a change to the Fed's policy stance. We do not expect any material changes.

**Economic Data Releases**

Country	Time (GMT)	Name	Saxo	Consensus	Prior
UK	08:30	BoE Minutes			
US	12:30	CPI / Core CPI MoM (APR)	0.2% / 0.1%	0.1% / 0.1%	0.1% / 0.0%
US	18:00	FOMC Minutes			

FX	Daily stance	Comment
EURUSD	0	Break abv 1.2240 suggests stronger consolidative rally up to 1.23. Await lvls to sell.
USDJPY	0/-	Look to sell rallies to 92.25 lvl for a dip to 91.50. Stop abv 92.75.
EURJPY	0/-	Res seen at 113.50-70 area. Wait for rebound to sell into. Downside tgt 112.25 again.
GBPUSD	0/-	Rebound can extend to 1.4350, 1.4420 max before next leg lower, target 1.4150.
AUDUSD	0	Wait for rebound to approach 0.87 before selling for next downleg. Tgt 0.8515 agn.
USDCAD	0/+	Buy dips down to 1.0360 for next bounce back to 1.0450. Stop below 1.0308.

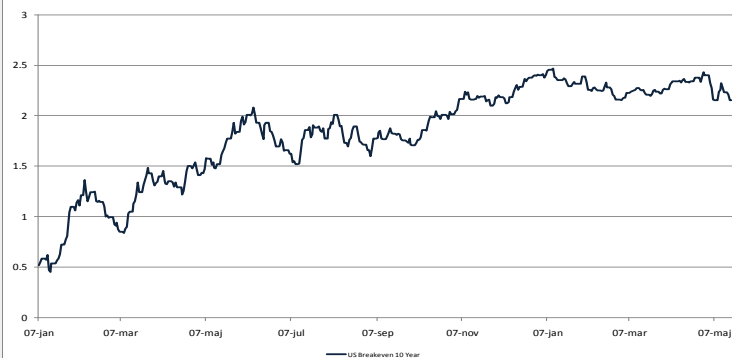
FX-Options	Comment
EURUSD	Vols are not letting up with spot on its knees. EUR puts continue to be paid and any selling interest is quickly absorbed. Until we get a sustained relief rally, vols will stay high.
USDJPY	Yen gamma bid this morning with spot making a new low. 1Y is now at 14% mid and the curve is very well supported even with spot off the lows
AUDUSD	Vols extremely nervous and sensitive to the moves lower in spot. Liquidity is very poor and market paid swiftly on the break of 8500.

Equities	Daily stance	Comment
DAX	0/-	Sell at the break of 6110 targeting 6067. S/L above 6135.
FTSE	0/-	Sell at the break of 5290 targeting 5245. S/L above 5310.
S&P500	0/-	Sell at the break of 1113 targeting 1099. S/L above 1120.
NASDAQ100	0/-	
DJIA	0/-	

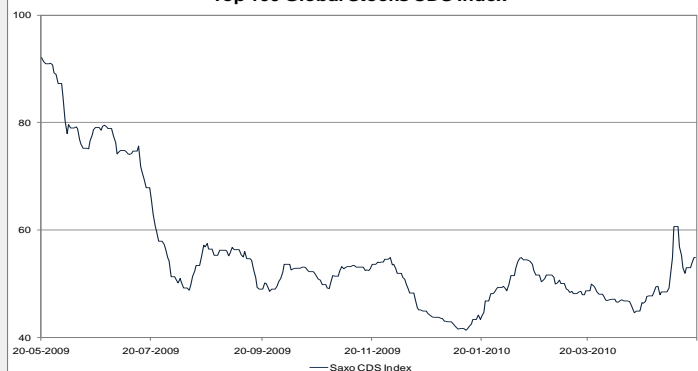
Commodities	Daily Stance	Comment
Gold	0/+	Buy at the break of 1216 targeting 1225. S/L below 1210.
Silver	0/+	Buy at the break of 18.80 targeting 18.96. S/L below 18.73.
Oil (CLM0)	0/-	Sell at the break of 68.40 targeting 67.90. S/L above 68.75.

**Earnings Releases**

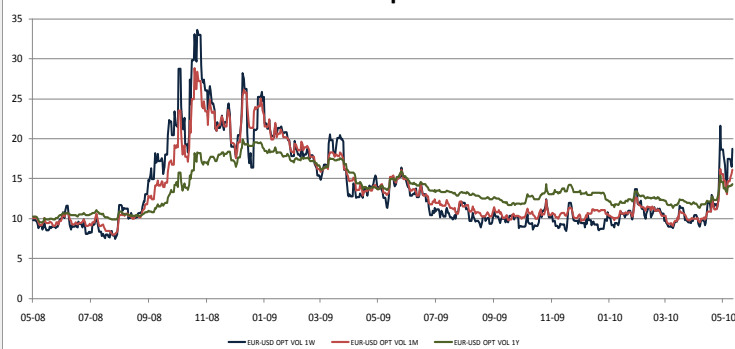
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment

**US Breakeven 10 Year**


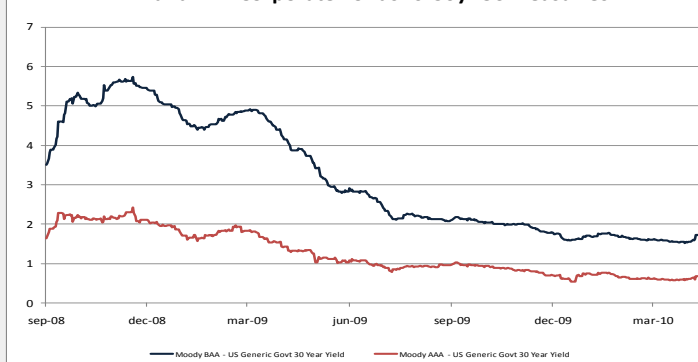
USD breakeven 10 Year – an expression for measuring inflation expectations.

**Top 100 Global Stocks CDS Index**


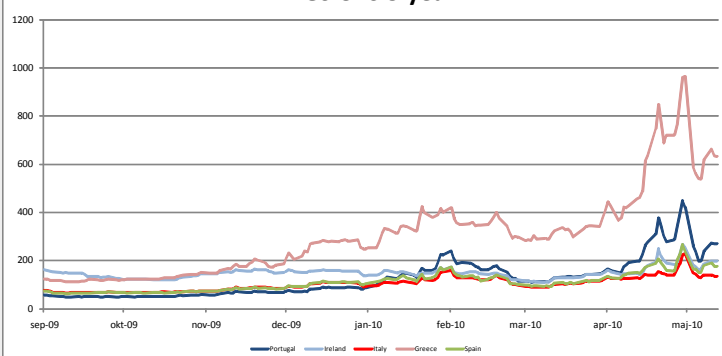
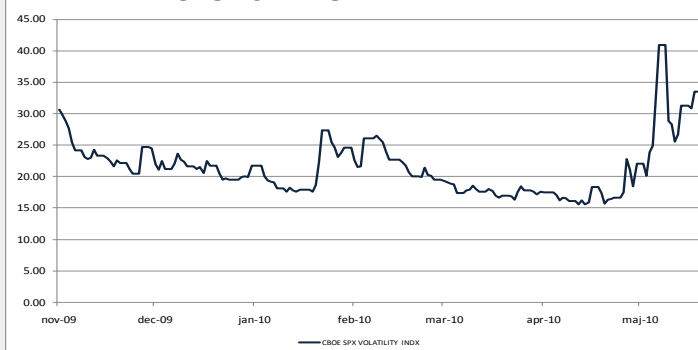
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 55.**

**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 33.55** (prev. close at 30.84).

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