

Theme Comment

- Solid first quarter JP GDP at 4.9% (Saxo: 4.5%, consensus: 5.5%) driven by domestic demand and net exports was not enough to calm Asian markets. This was the second +4% quarter in a row in Japan, but while we expect positive growth to continue the momentum will weaken.
- The Shanghai Composite has been trading below the 200DMA for a while signalling a bear market (it has also dropped more than 20% from the peak - another sign), and now we are closing in on the 200DMA for the S&P 500 as well. Indeed, it was tested and rejected yesterday (the third time in two weeks). The Dow and the FTSE100 are also flirting with their 200DMA. We continue to sell breaks in equities.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
UK	08:30	Retail Sales ex Auto MoM (APR)	-0.2%	-0.1%	0.2%
US	12:30	Initial / Continuing Jobless Claims		440K / 4605K	444K / 4627K
US	14:00	Leading Indicators MoM (APR)		0.2%	1.4%

FX	Daily stance	Comment
EURUSD	0	1.2440 looks a crucial lvl. Abv risks rally to 1.2525 else we stick to 1.2270-1.2430 range.
USDJPY	0/+	Buy dips down to 91.00-10 for a rebound back to 92.25. Stop below 90.73.
EURJPY	0	Seen capped at 113.80. Expect ranging 112.50 – 113.80.
GBPUSD	0/-	Look to sell rebound to 1.4465 for next leg lower target 1.4300. Stop abv 1.4505.
AUDUSD	0	Break below 0.8395 looks desperate but think we've seen temp base sub-0.83. 0.83-0.8390 range.
USDCAD	0/-	Loss of 1.04 handle would prompt test of 1.0340. Firmer res seen at 1.0505 now.

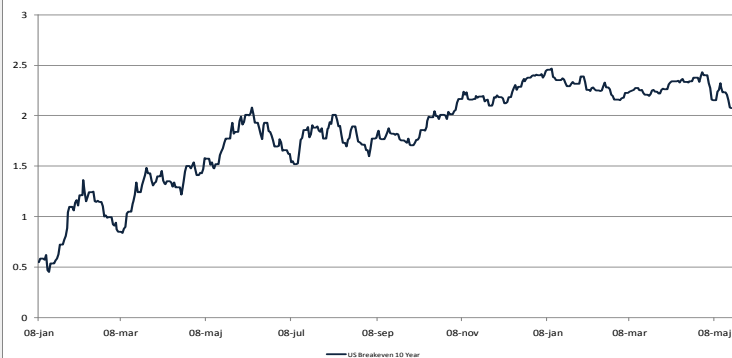
FX-Options	Comment
EURUSD	Vols pretty much held steady and spot action languished after the FOMC minutes. Even with spot above 1.23, vols should remain firm.
USDJPY	Vols hold firm even as spot moves off 9100 lows. Gamma seeing some sellers this morning as spot sat between 9160 and 9180 but rest of the curve holding well.
AUDUSD	Vols march higher yet again. 1m paid up to 19% even as spot moves off the session lows. Seems like there is more room for a spot move lower.

Equities	Daily stance	Comment
DAX	0/-	Sell at the break of 5970 targeting 5927. S/L above 5990.
FTSE	0/-	Sell at the break of 5155 targeting 5120. S/L above 5165.
S&P500	0/-	Sell at the break of 1100 targeting 1092. S/L above 1103.
NASDAQ100	0/-	
DJIA	0/-	

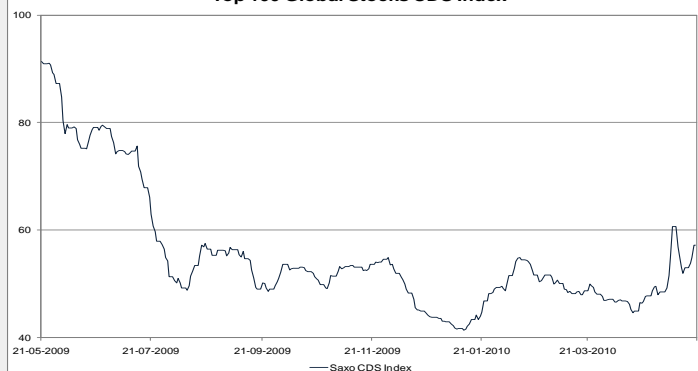
Commodities	Daily Stance	Comment
Gold	0/-	Sell at the break of 1185 targeting 1178. S/L above 1188.
Silver	0/-	Sell at the break of 17.99 targeting 17.92. S/L above 18.10
Oil (CLN0)	0/-	Sell at the break of 70.16 targeting 69.40. S/L above 70.40

Earnings Releases

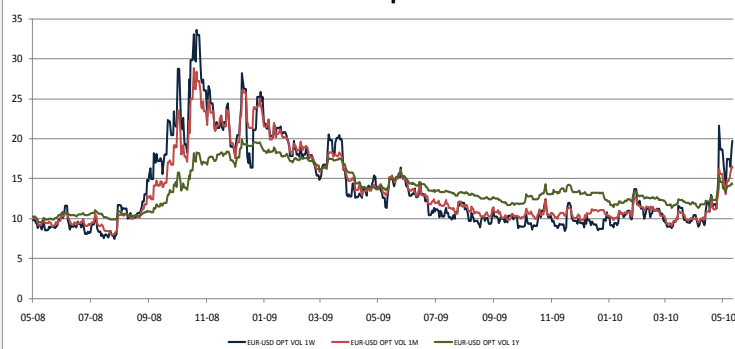
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment
US	Aft-Mkt	Dell	0.266	0.260	
US		The Gap	0.426	0.510	

US Breakeven 10 Year


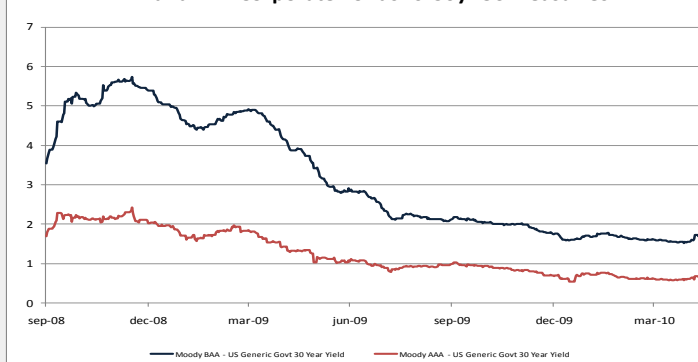
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index


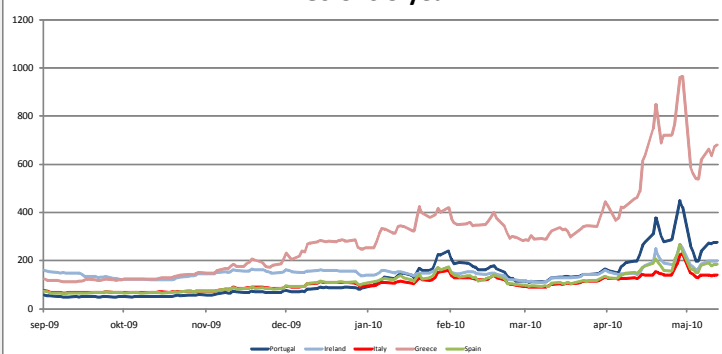
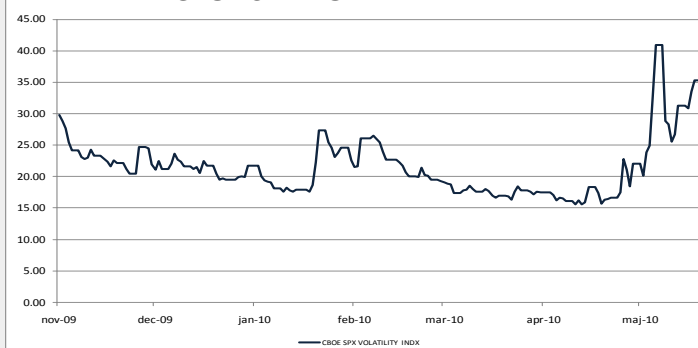
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 57.**

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 35.32** (prev. close at 33.55).

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