

Theme Comment

- The EURCHF and EURJPY still edging lower with Asian stocks. French banks not doing too well and the CDS on France has now crossed that of the UK. So we have a mainland E-Z problem... and it is not contained.
- Sentiment indicators still very bearish, so we might have a bounce in risk after the 1040 level has been tested in S&P500. We expect some range trading between 1050 and 1100, after which we should see lower prices.
- Watch out for the Fed's Beige Book tonight. Dutch elections going on today. German Constitutional Court takes a stance on the PIIGS Bail-Out package on Friday.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
US	14:00	Wholesale Inventories MoM (APR)		0.5%	0.4%
US	14:00	Bernanke testifies on economy			
US	18:00	Fed Beige Book			

FX	Daily stance	Comment
EURUSD	0/+	Buy at the break of 1.1960 and target 1.2040. Stop below 1.1920.
USDJPY	0/-	Sell around 91.50 and target 90.80. Stop above 91.75.
EURJPY	0	Neutral.
GBPUSD	0/+	Buy at the break of 1.4474 and target 1.4550. Stop below 1.4430.
AUDUSD	0/+	Buy at the break of 0.8286 and target 0.8360. Stop below 0.8260.
USDCAD	0/-	Sell at the break of 1.0470 and target 1.04. Stop above 1.05.

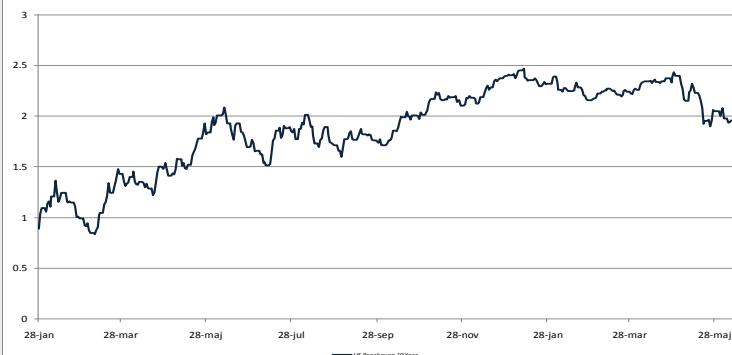
FX-Options	Comment
EURUSD	Frontend vols and RR were offered yesterday whereas the backend traded sideways. We don't see this as a signal of a turnaround, but more as a natural development. With vols and RR at these high levels there has to be large moves every day or vols will trade lower. We still see EURUSD going lower and this might be a good chance to buy EUR puts.

Equities	Daily stance	Comment
DAX	0/-	Sell at the break of 5853 targeting 5802. S/L above 5873.
FTSE	0/-	Sell at the break of 5003 targeting 4939. S/L above 5028.
S&P500	0/-	Sell at the break of 1056 targeting 1046. S/L above 1060.
NASDAQ100	0/-	
DJIA	0/-	

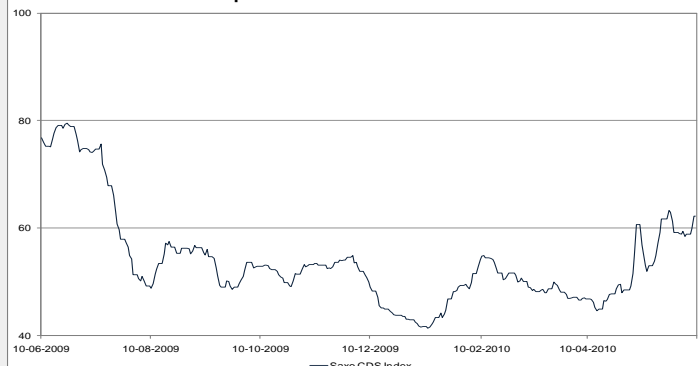
Commodities	Daily Stance	Comment
Gold	0/+	Buy at the break of 1242 targeting 1250. S/L below 1239.
Silver	0/+	Buy at the break of 18.35 targeting 18.43. S/L below 18.32.
Oil (CLN0)	0/-	Sell at the break of 72.32 targeting 71.99. S/L above 72.47.

Earnings Releases

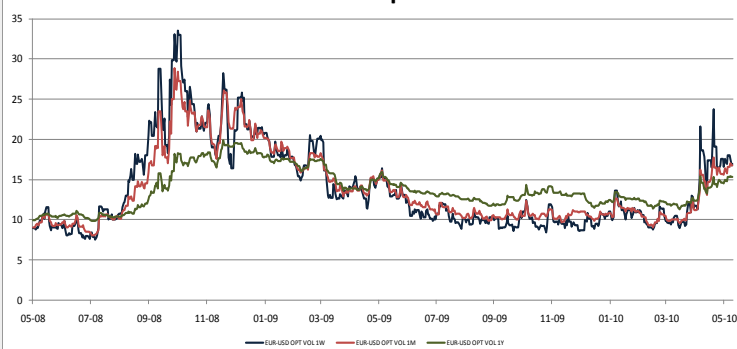
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment
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US Breakeven 10 Year


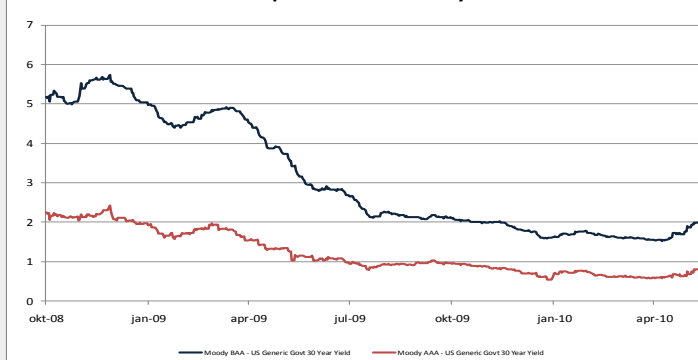
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index


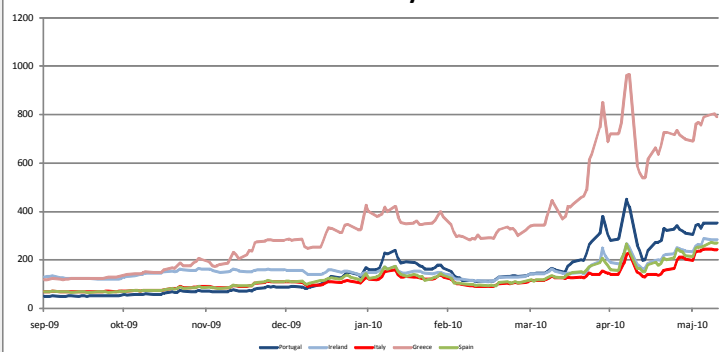
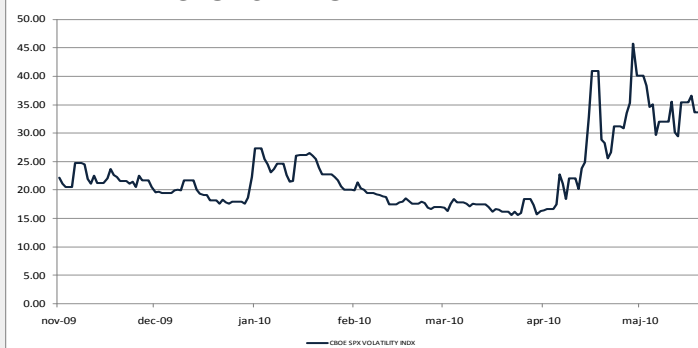
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 62.**

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 33.70** (prev. close at 36.57).

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