

Theme Comment

- The Fed ended their MBS purchases in Marts (for now at least) and already the mortgage rates are increasing. Both Mortgage Bankers Association and Freddie Mac report rising rates, with the latter saying that fixed rate 30-year mortgages have gone to 5.21% from 5.08%.
- S&P are threatening Greece with a downgrade if the country does not narrow down bond spreads quickly. ECB President Trichet, meanwhile, is trying to convince the market that Greece's debt is manageable (EUR up in last 24h).
- Following the very solid Australian labour market report yesterday, we get a glimpse of the Canadian equivalent today and expectations are for a good report.
- We kick off the US earnings season on Monday with Alcoa. We buy on dips in equities today ahead of next week's earnings reports. Expectations seem to be (too?) high - e.g. Alcoa EPS expected at 0.103 vs. -0.22/-0.54 in the last Q/Y.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
NO	08:00	CPI MoM (MAR)		0.6%	1.3%
UK	08:30	PPI Output MoM (MAR)	0.4%	0.4%	0.3%
CA	11:00	Change in Empl. / Unempl. Rate (MAR)	27.0K / 8.1%	26.0K / 8.1%	20.9K / 8.2%

FX	Daily stance	Comment
EURUSD	0/+	Expect retracement to stall 1.3330 area for rebound back to 1.3420. Stop below 1.3295.
USDJPY	0/+	Look to buy break of 93.65 for a test of 94.15. Stop below 93.15.
EURJPY	0	Nothing to excite. 124.25 – 125.25 likely to contain range.
GBPUSD	0	Seems to struggle past 1.5325. Likely stuck in a 1.5240 – 1.5325 range.
AUDUSD	0	Res at 0.93 looks strong for now. Expect consolidation 0.9240 -0.9300.

FX-Options	Comment
EURUSD	Vols likely to trade firm today given that spot took out 1.33 barriers yesterday. Even with the bounce to 1.3380 area we are not seeing any rush to sell vols.
USDJPY	With the spot rally back to 9350, risk reversals have moved back towards Yen puts. 1-2w offered and as long as spot stays between 9300 -9400, front end should remain soft.
AUDUSD	Market continues to sell gamma aggressively. Meanwhile spot managed to get contained in a narrow range. 2-3m upside seem like good value as the whole curve has moved lower.

Equities	Daily stance	Comment
DAX	0/+	Buy on dips towards 6181 targeting 6208. S/L below 6166.
FTSE	0/+	Buy on dips towards 5714 targeting 5742. S/L below 5700.
S&P500	0/+	Buy on dips towards 1182 targeting 1187. S/L below 1180.
NASDAQ100	0/+	
DJIA	0/+	

Commodities	Daily Stance	Comment
Gold	0/+	Buy around 1149 targeting 1154. S/L below 1147.
Silver	0/+	Buy around 18.05 targeting 18.13. S/L below 18.03
Oil (CLK0)	0/+	Buy at the break of 85.95 targeting 86.65. S/L below 85.72.

Earnings Releases

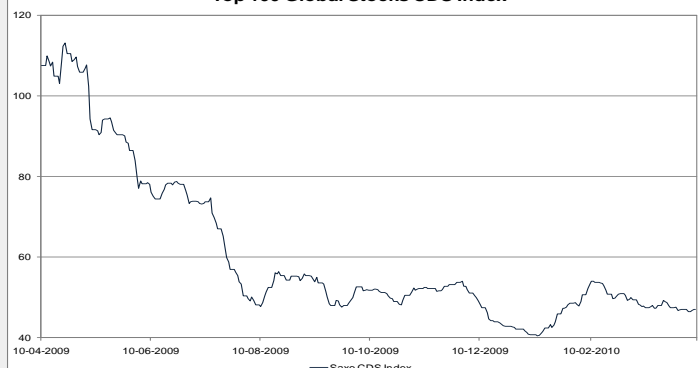
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment

US Breakeven 10 Year



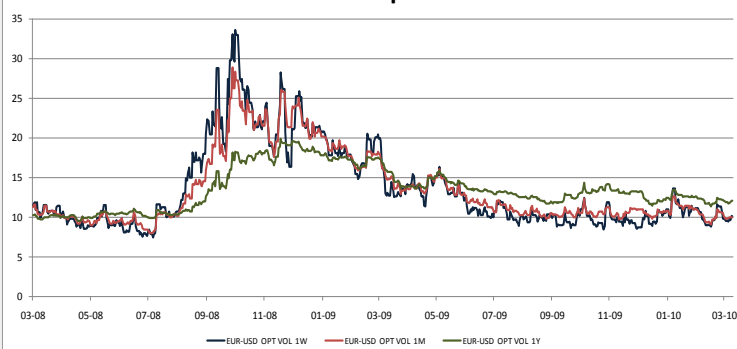
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index



Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 47.**

EURUSD Opt. Vol.



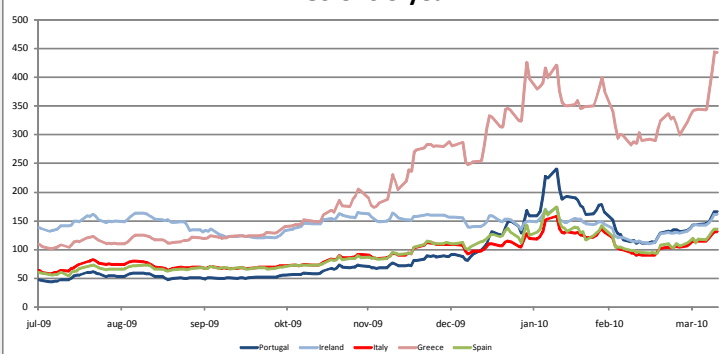
Volatility at different time horizons. Too low, now?

AAA and BAA Corporate Bonds vs. 30yr US Treasuries

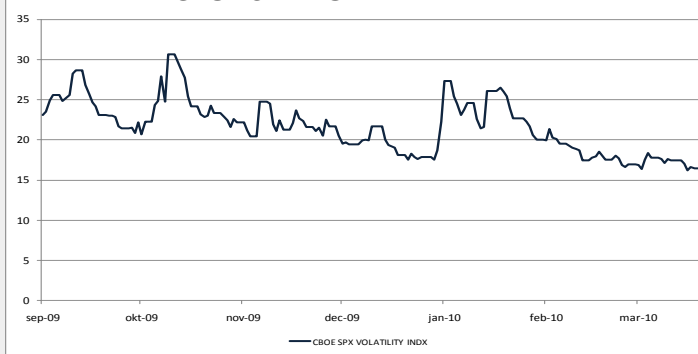


Spreads are easing, but still **showing tight corporate debt markets.**

PIIGS CDS 5 year



CBOE SPX VOLATILITY INDEX



The VIX Index is **now at 16.48** (prev. close at 16.62).

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