

Theme Comment

- Google disappointed yesterday in the earnings report missing the streets EPS estimate of 6.91 USD realizing 6.76 USD.
- Industrial production was surprisingly weak at 0.1%. While manufacturing gained quite a bit (0.9%) Utilities ruined the party - falling 6.4% MoM.
- Watch out for Housing Starts today. Starts have been flat in recent months, but we did see a healthy 4 point increase in the Home Builders index to 19 for March. This is the last month where Americans can use the homebuyer tax credit (for new houses) so we may see a short rally in sales.

Economic Data Releases

| Country | Time (GMT) | Name | Saxo | Consensus | Prior |
|---------|------------|---------------------------------|-----------|-----------|-----------|
| EC | 09:00 | CPI/CPI Core | 1.5%/0.9% | 1.5%/0.9% | 1.5%/0.8% |
| US | 12:30 | Housing Starts (MAR) | | 610K | 575K |
| US | 13:55 | U. Of Michigan Confidence (APR) | | 75.0 | 73.6 |

| FX | Daily stance | Comment |
|--------|--------------|---|
| EURUSD | 0/- | Look to sell rallies to 1.3565-75 lvl for a push to 1.35. Stop abv 1.3615 |
| USDJPY | 0 | May see temp suppt at 92.50. Suggest ranging 92.50-93.10 |
| EURJPY | 0 | 127.50-00 area cfmed as strong res. Sell to 126.0 for 125.10, stop abv 126.40 |
| GBPUSD | 0/- | Sell rallies to 1.5450, stop abv 1.5485 for a 1.5365 target |
| AUDUSD | 0 | Look to edge down to 0.9290-00 suppt but seen holding for 0.9290-0.9350 range |

| FX-Options | Comment |
|------------|---|
| EURUSD | Yesterday's drop in spot brought some support to front end vols which by the NY session started to bring all the sellers out. Vols still look offered despite spot threatening lower. |
| USDJPY | Gamma slightly better supported today with the initial risk off trades taking spot under 9300 but given the supply out there, it is unlikely for front end to move much higher. |
| AUDUSD | Vols are holding their levels with spot trading around 9300. There were a couple of buyers looking to buy 3-6m area downside but otherwise few trades of interest. |

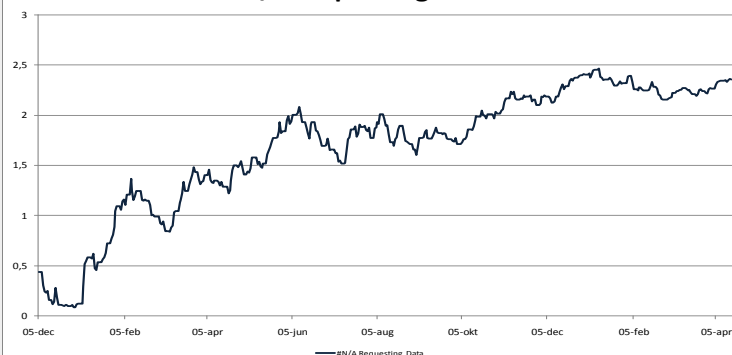
| Equities | Daily stance | Comment |
|-----------|--------------|---|
| DAX | 0/+ | Buy around 6262 targeting 6297. S/L below 6247. |
| FTSE | 0/+ | Buy around 5800 targeting 5825. S/L below 5789. |
| S&P500 | 0/+ | Buy around 1203 targeting 1212. S/L below 1198. |
| NASDAQ100 | 0/+ | |
| DJIA | 0/+ | |

| Commodities | Daily Stance | Comment |
|-------------|--------------|---|
| Gold | 0/+ | Buy on dips towards 1150 and target 1157. Stop below 1147. |
| Silver | 0/+ | Buy at the break of 18.27 and target 18.41. Stop below 18.22. |
| Oil (CLK0) | 0/+ | Buy on dips towards 84.74 and target 85.20. Stop below 84.51. |

Earnings Releases

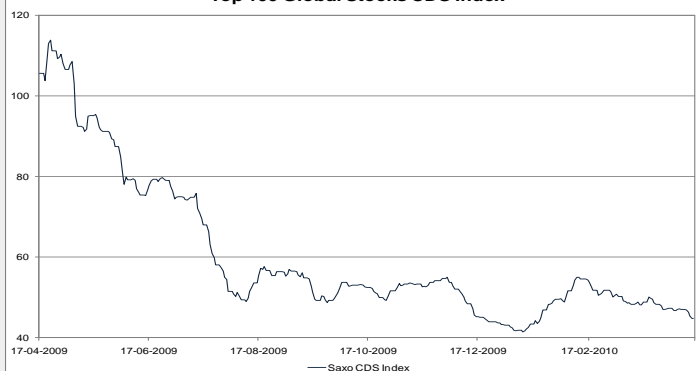
| Country | Time (GMT) | Name | EPS exp. | EPS prior | Comment |
|---------|------------|------------------|----------|-----------|---------|
| US | - | General Electric | 0.159 | 0.310 | |
| US | - | Bank of America | 0.097 | -0.170 | |

#N/A Requesting Data...



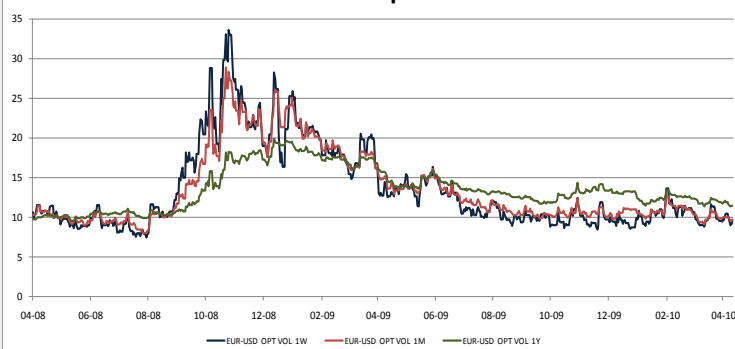
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index



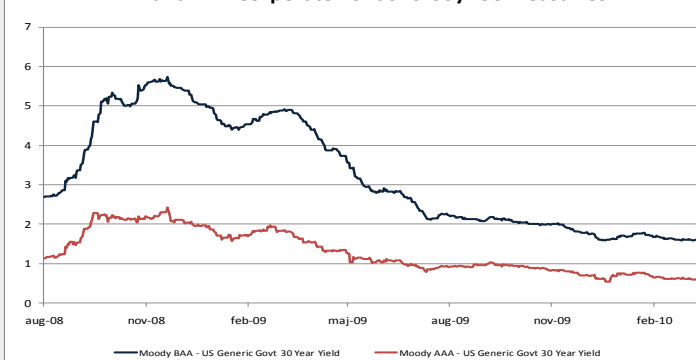
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 45.**

EURUSD Opt. Vol.



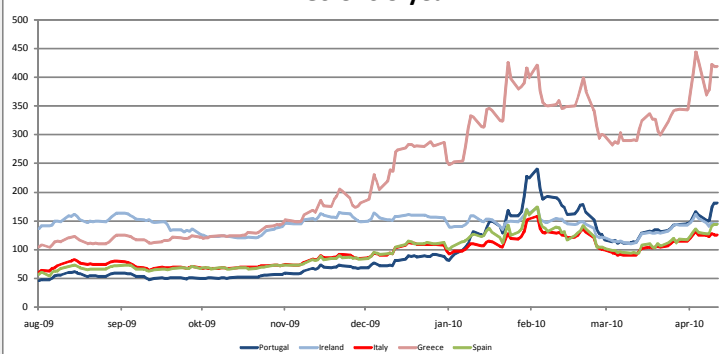
Volatility at different time horizons. Too low, now?

AAA and BAA Corporate Bonds vs. 30yr US Treasuries

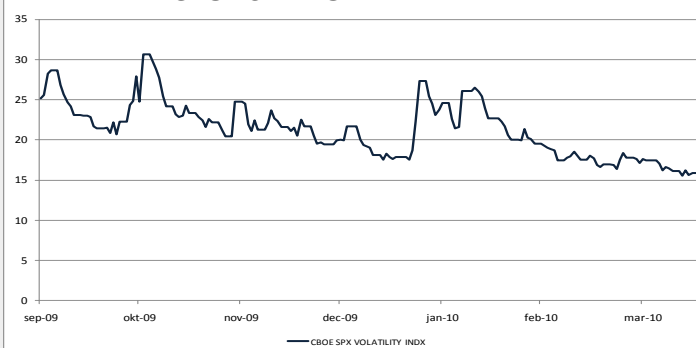


Spreads are easing, but still **showing tight corporate debt markets.**

PIIGS CDS 5 year



CBOE SPX VOLATILITY INDEX



The VIX Index is **now at 15.59** (prev. close at 16.20).

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