

Theme Comment

- More earnings today with Caterpillar being the most important for the cyclical outlook.
- Corporate credit spreads are edging lower and Greek 2-year yield is now 10.22%. Not impressive.
- Stock market sentiment is euphoric after the first part of earnings season. Analysts are revising their estimates higher. With the VIX quite low (16.62), this looks like complacency to us, but our best guess is that S&P500 will continue higher and test 1229 (big Fibi 61.8%) early this week and possibly even break it.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
SW	07:30	Trade Balance (MAR)		6.9B	0.6B
US	14:30	Dallas Fed Manf. Activity Index (APR)		9.5%	7.2%

FX	Daily stance	Comment
EURUSD	0/+	Expect rebound can extend to 1.3440. Buy dips to 1.3340, stop below 1.3285.
USDJPY	0	Likely seeing consolidation 93.850-94.40 before next leg higher.
EURJPY	0/+	125.25 now looks support. Buy dips for 127.0 target, stop below 124.75.
GBPUSD	0/+	Still prefer buying dips down to 1.5385 for more extended rebound to 1.5470. Stop below 1.5345.
AUDUSD	0	If we hold below 0.93 chance we squeeze back to 0.9220. Generally 0.9220-0.93 range.
USDCAD	0/+	Look to buy dips down to 0.9965 for a small rebound back to 1.0030. Stop below 0.9915.

FX-Options	Comment
EURUSD	Risk reversals remained bid throughout the European session on Friday even as ATMs eased off during the spot rally. Gamma likely to stay bid given these recent ranges.
USDJPY	Seeing a bit of interest in overnight 9430-9500 strikes and also for the next few days but in general mostly buyers of low strikes.
AUDUSD	Vols stay firm in general with front end slightly weaker but with the rally in spot, there has been some interest to buy mid curve 2-3m downside options below 8900 strikes.

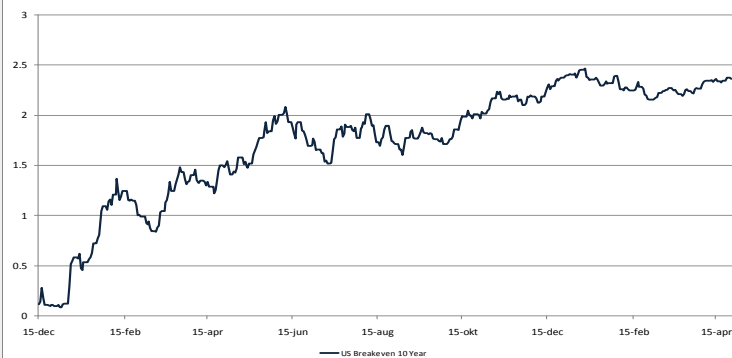
Equities	Daily stance	Comment
DAX	0/+	Buy on dips towards 6270 targeting 6300. S/L below 6255.
FTSE	0/+	Buy on dips towards 5740 targeting 5770. S/L below 5726.
S&P500	0/+	Buy on dips towards 1213 targeting 1219. S/L below 1211.
NASDAQ100	0/+	
DJIA	0/+	

Commodities	Daily Stance	Comment
Gold	0/+	Buy on dips towards 1150 and target 1160. Stop below 1144.
Silver	0/+	Buy at the break of 18.20 and target 18.40. Stop below 18.10.
Oil (CLM0)	0	Neutral.

Earnings Releases

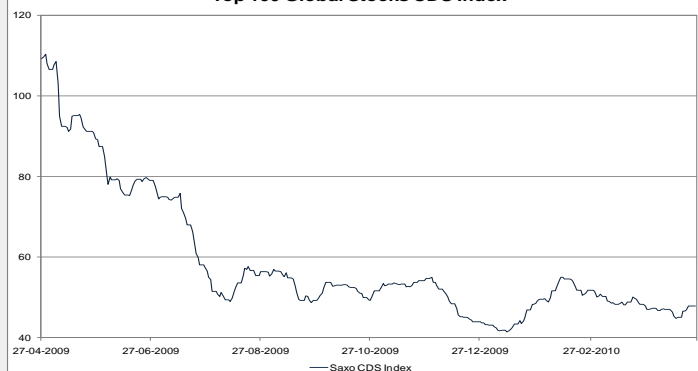
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment
US	Bef-Mkt	BlackRock	2.436	2.390	
US	11:30	Caterpillar	0.390	0.410	
US	Bef-Mkt	Hertz	-0.131	0.010	

US Breakeven 10 Year



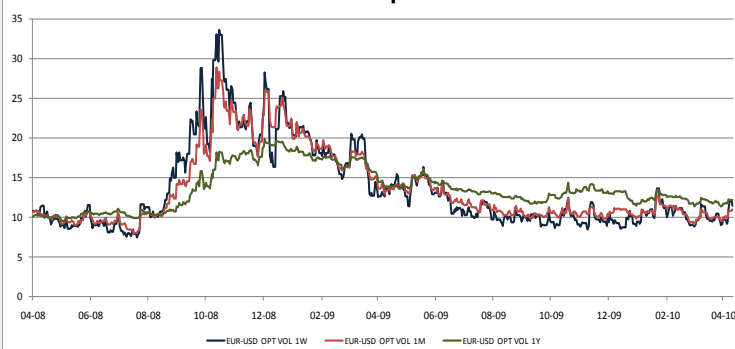
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index



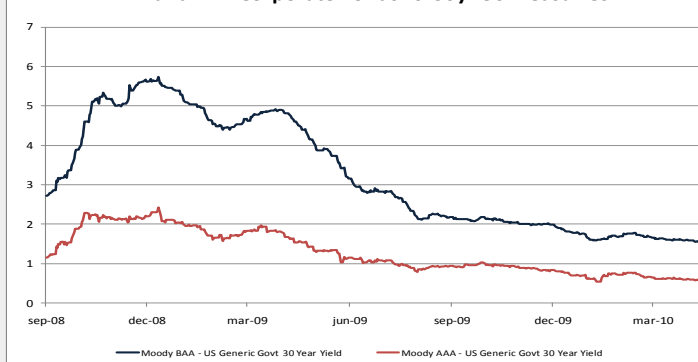
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 48.**

EURUSD Opt. Vol.



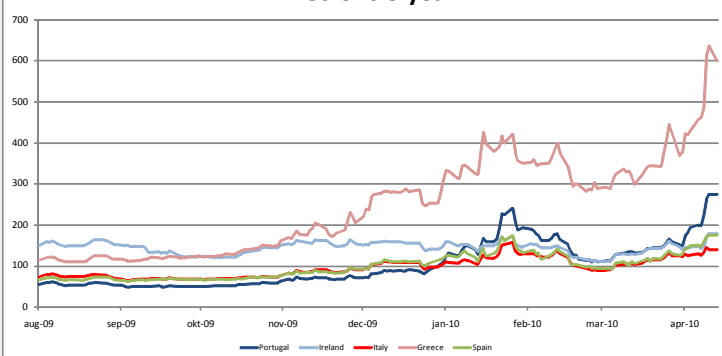
Volatility at different time horizons. Too low, now?

AAA and BAA Corporate Bonds vs. 30yr US Treasuries

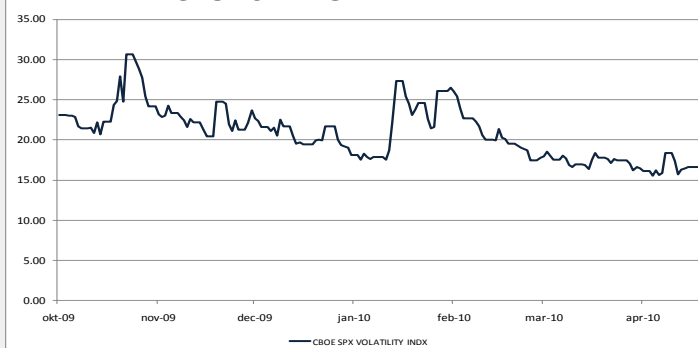


Spreads are easing, but still **showing tight corporate debt markets.**

PIIGS CDS 5 year



CBOE SPX VOLATILITY INDEX



The VIX Index is **now at 16.62** (prev. close at 16.47).

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