

Theme Comment

- Despite the fact that the bailout package allows Greece to roll debt for three years, the market remains unconvinced. The 2-year yield is back to 14.9% while the CDS rose 100bps to 872.
- Get a bucket of popcorn ready for the ECB's meeting today. Even the Germans (ECB's Weber) are beginning to talk about the aid package being 'justifiable' due to the 'threat of grave contagion effects' so outright debt monetization is looking more plausible (though all other options will likely be exhausted first).
- Of course, the UK election is another one to watch today though polls will not close until 21 GMT.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
GE	10:00	Factory Orders MoM (MAR)		1.4%	0.0%
EC	11:45	ECB Rate Announcement	1.00%	1.00%	1.00%
US	12:30	Initial / Continuing Jobless Claims		440K / 4610K	448K / 4645K

FX	Daily stance	Comment
EURUSD	0	May have seen temp bottom at 1.2788. Rebound can extend to 1.2930 but below risks 1.2740 test.
USDJPY	0/+	Look to buy dips to 93.75 for a rebound back to 94.25. Stop below 93.35.
EURJPY	0	Rebound from sub-120 can extend to 121.25, poss 121.65. In consolidation.
GBPUSD	0	Break abv 1.5155 risks a stronger retracement to 1.5265. Await election results.
AUDUSD	0	Look for consolidation 0.9020-0.9120. Break abv risks chase to 0.92.
USDCAD	0	Expect range-trading between 1.0235 and 1.0325.

FX-Options	Comment
EURUSD	The vol curve exploded yesterday as EURUSD made new lows. Major US investment bank still on the bid for EUR puts/USD call and now rest of the mkt is following. We still believe at any rally is a good opportunity to go long USD.

Equities	Daily stance	Comment
DAX	0/-	Sell on rallies towards 5957 and target 5928. Stop above 5971.
FTSE	0/-	Sell on rallies towards 5346 and target 5318. Stop above 5360.
S&P500	0/-	Sell on rallies towards 1168 and target 1164. Stop above 1170.
NASDAQ100	0/-	
DJIA	0/-	

Commodities	Daily Stance	Comment
Gold	0/-	Struggling abv 1,178. Sell rallies to 1,177 for a push below 1,172, target 1,165. Stop abv 1,184.
Silver	0/-	Prefer to sell rallies to 17.82 lvl for a re-test of 17.20. Stop abv 17.95
Oil (CLM0)	0	Rebound from sub-80 lvls can extend to 80.82 but likely stuck in 80.0-80.55 range.

Earnings Releases

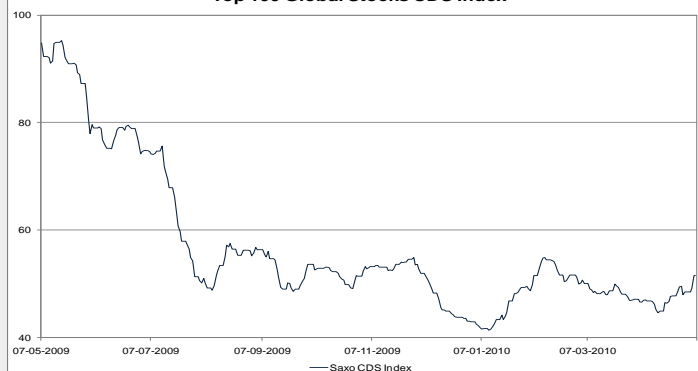
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment
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US Breakeven 10 Year



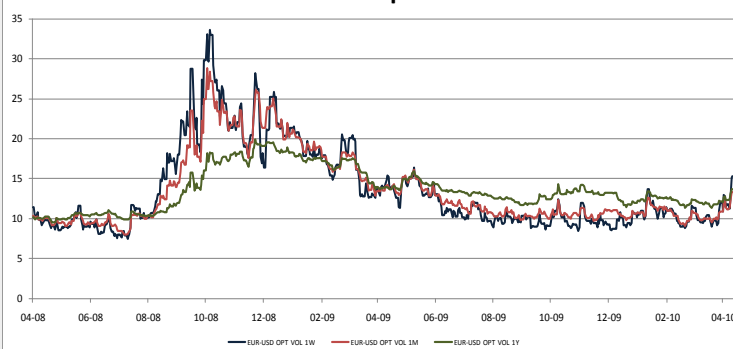
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index



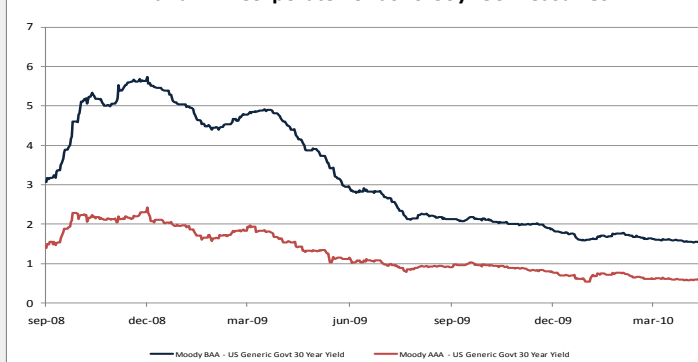
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 52.**

EURUSD Opt. Vol.



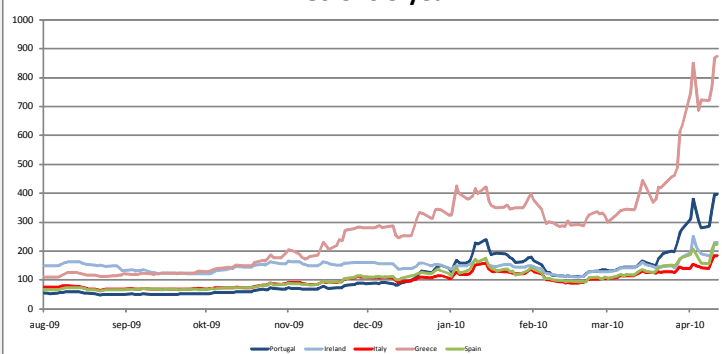
Volatility at different time horizons. Too low, now?

AAA and BAA Corporate Bonds vs. 30yr US Treasuries

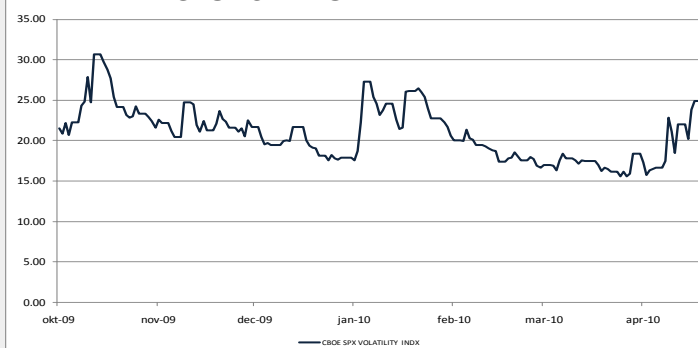


Spreads are easing, but still **showing tight corporate debt markets.**

PIIGS CDS 5 year



CBOE SPX VOLATILITY INDEX



The VIX Index is **now at 24.91** (prev. close at 23.84).

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