

## Theme Comment

- The EUR is under massive pressure again and Greek 2-year yields are now trading at 7.5% (down from 18% before the w/e) – but that is the same level as on the 21<sup>st</sup> of April. Greek 30-year treasuries trading below 65 – not a lot of long-term recovery there!
- Expect some whip-saw trading in EURUSD today. In spite of / due to the irresponsible bail-out package over the w/e, we maintain our eoy target of 1.22.
- The Tory-LibDem negotiations broke down yesterday. A coalition of Labor-LibDem next. So far not hitting GBP too much, but Gilts are down two figures.
- Chinese figures quite strong o/n, but markets interpret them as a need for more fiscal and monetary tightening to come.

## Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
UK	08:30	Industrial Production MoM (MAR)	0.6%	0.3%	1.0%
US	11:30	NFIB Small Business Optimism (APR)		87.1	86.8
US	14:00	Wholesale Inventories MoM (MAR)		0.5%	0.6%

FX	Daily stance	Comment
EURUSD	0/+	While holding abv 1.27, chance we test 1.2835 first. Below sees 1.2650 first.
USDJPY	0	While holding abv 92.40 look for further consolidation 92.40 – 93.40. Below risks 91.75.
EURJPY	0/+	Need to hold abv 117.75 for a chance of re-test 120.0. Below risks 116.0.
GBPUSD	0/+	Expect suppt at 1.4750-55 area to hold for rebound to 1.4870. stop below 1.4735.
AUDUSD	0/-	Break below 0.8990 risks deeper correction to 0.89. Play short, stop abv 0.9035 again.
USDCAD	0/+	While holding abv 1.0235 chance we rebound to 1.0340. Below risks 1.01.

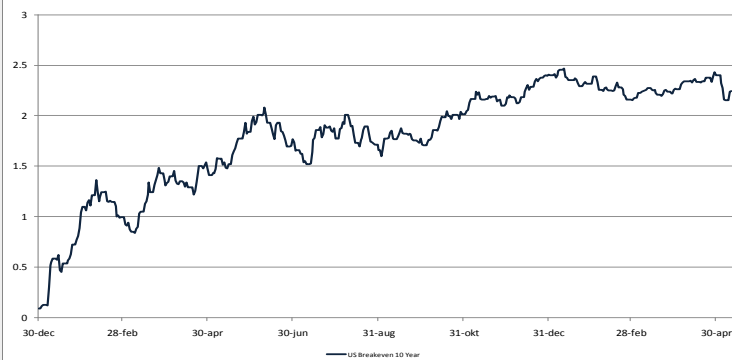
FX-Options	Comment
EURUSD	Vols seemed to have found a base and short date EUR puts continue to be sought after. Spot break under 1.27 likely to be followed by another wave of vol buying.
USDJPY	Vols traded softer in Asia but there is still interest to buy intraweek Yen puts around the 94 level. EURJPY remains nervous with vols very bid given the choppy nature of spot.
AUDUSD	Vols got sold off in Asia but the risk reversals stay firm. Market remains nervous to the downside and we are seeing vols picking up as spot moves under 9000.

Equities	Daily stance	Comment
DAX	0/-	Sell on rallies towards 6008 targeting 5972. S/L above 6020.
FTSE	0/-	Sell on rallies towards 5370 targeting 5315. S/L above 5399.
S&P500	0/-	Sell on rallies towards 1159 targeting 1150. S/L above 1162.
NASDAQ100	0/-	
DJIA	0/-	

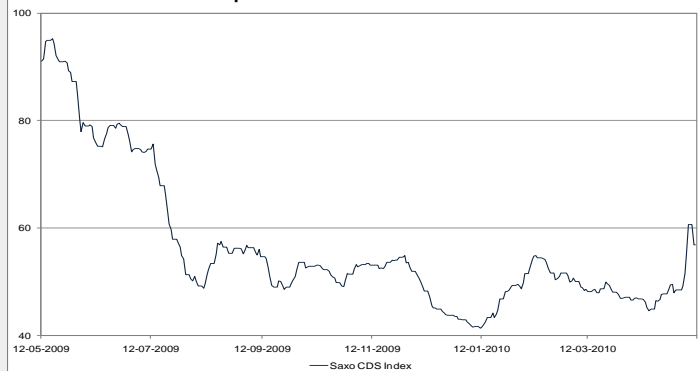
Commodities	Daily Stance	Comment
Gold	0/+	Buy at the break of 1210 and target 1222. Stop below 1206.
Silver	0/+	Buy on dips towards 18.40 and target 18.60. Stop below 18.30.
Oil (CLM0)	0/+	Buy on dips towards 75.20 and target 77.00. Stop below 74.50.

## Earnings Releases

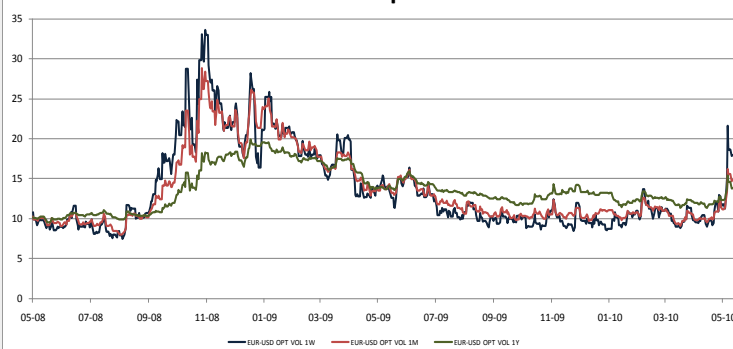
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment

**US Breakeven 10 Year**


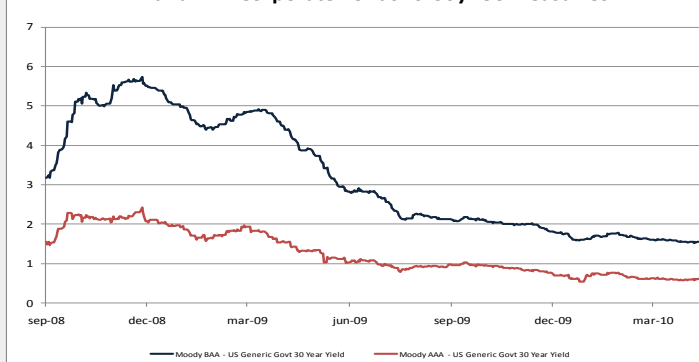
USD breakeven 10 Year – an expression for measuring inflation expectations.

**Top 100 Global Stocks CDS Index**


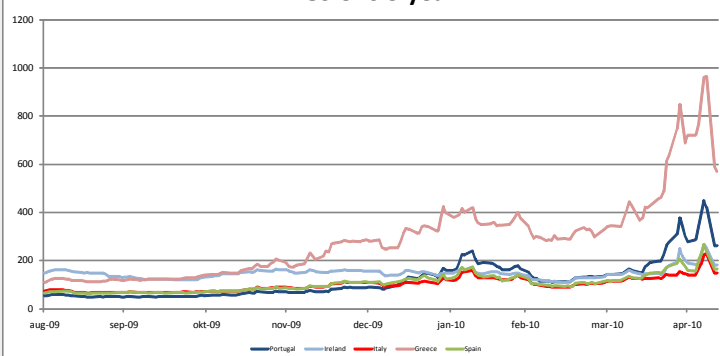
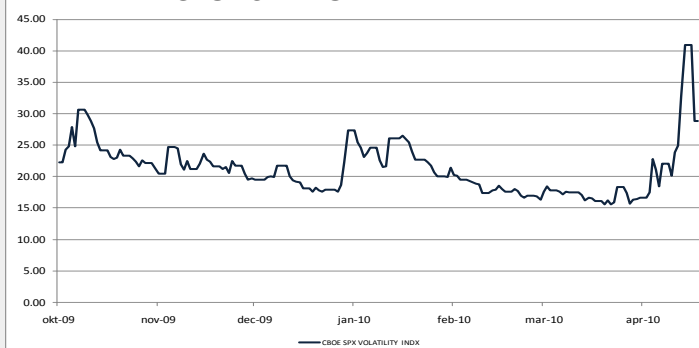
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 57.**

**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 28.84** (prev. close at 40.95).

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