

Theme Comment

- Last Friday Fitch downgraded Greece's debt rating to BBB- (a single level above junk) from BBB+ with a negative outlook. And yesterday Eurozone leaders and the IMF agreed on a bailout worth EUR 45 billion with the euro-region supplying EUR 30 billion in 3-year loans at around 5 pct (Greek 3-year is at 6.98%). Greece's 2009 deficit was raised to 12.9% of GDP from 12.7% last week.
- BoJ Minutes show that two BoJ members voiced their dissatisfaction with the expansion in the bank's lending programme which was doubled last month to JPY 20 trillion, saying that the action was uncalled for given the improvements in the economy and because it could cause a misunderstanding about the degree of monetary easing.
- Alcoa kicks off the US earnings season today and will attempt to beat the analysts' expectation of adj. EPS around 0.092 versus -0.22 in Q4. We buy equities today on the Greece story amid a very slow day macro-wise.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
CA	12:15	Housing Starts (MAR)		205.0K	196.6K
CA	14:30	BoC Senior Loan Officer Survey (1Q)			-8.7
US	18:00	US Budget Statement (MAR)		-\$62.0B	-\$191.6B

FX	Daily stance	Comment
EURUSD	0/+	Look to buy dips sub-1.36 for a test of 1.3725, stop below 1.3545.
USDJPY	0/+	Still prefer long. Buy dips down to 92.90 for rebound back to 93.55, stop below 92.45.
EURJPY	0	May have seen temp top near 128.0. Suggest ranging 126.0-127.50.
GBPUSD	0/+	Buy dips to 1.5390 for a push to 1.5525, stop below 1.5343.
AUDUSD	0/+	Expect suppt at 0.93 to hold for a rebound back to 0.94. Stop below 09285.

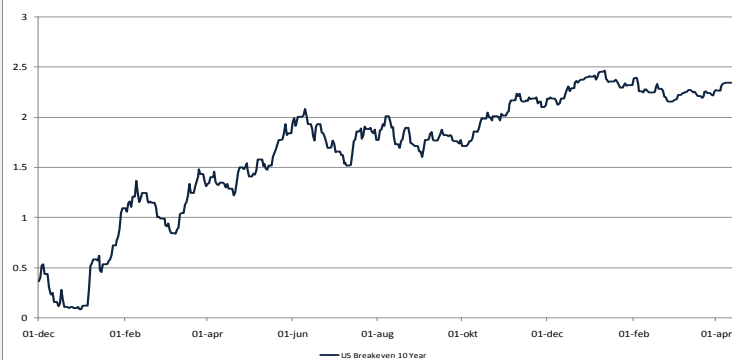
FX-Options	Comment
EURUSD	Vols open higher after the gap up in spot at the opening. 1m is now 10.4 compared to 10% on Friday. Short dated EUR calls are getting paid in the brokers this morning.
USDJPY	Spot settled into a range around 9300 and front end trading weaker. Vega bids are still prevalent and should support the curve. EURJPY 128s for 1w in demand in the brokers.
AUDUSD	Vols are sidelined today with frontend remaining offered. Curve remains steep as market continues to sell gamma. Market has been looking to sell shortdated downside strikes.

Equities	Daily stance	Comment
DAX	0/+	Buy around 6250 targeting 6275. S/L below 6235.
FTSE	0/+	Buy around 5770 targeting 5805. S/L below 5752.
S&P500	0/+	Buy around 1192 targeting 1197. S/L below 1188.
NASDAQ100	0/+	
DJIA	0/+	

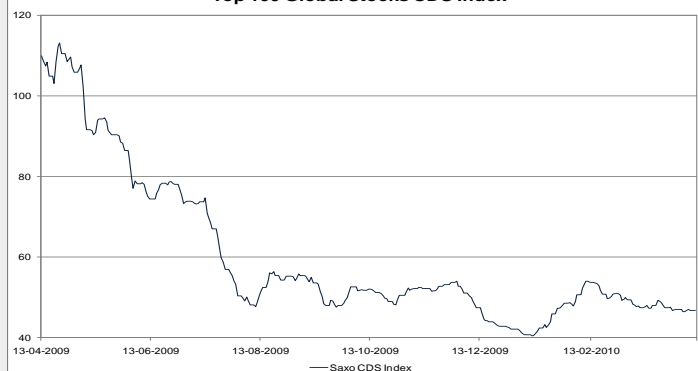
Commodities	Daily Stance	Comment
Gold	0/+	Buy at the break of 1169 targeting 1175. S/L below 1166.
Silver	0/+	Buy at the break of 18.60 targeting 18.71. S/L below 18.55.
Oil (CLK0)	0/+	Buy at the break of 85.76 targeting 86.40. S/L below 85.46

Earnings Releases

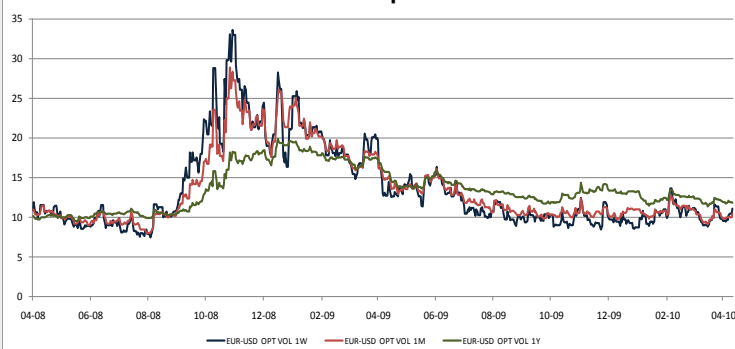
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment
US	21:00	Alcoa	0.092	-0.220	

US Breakeven 10 Year


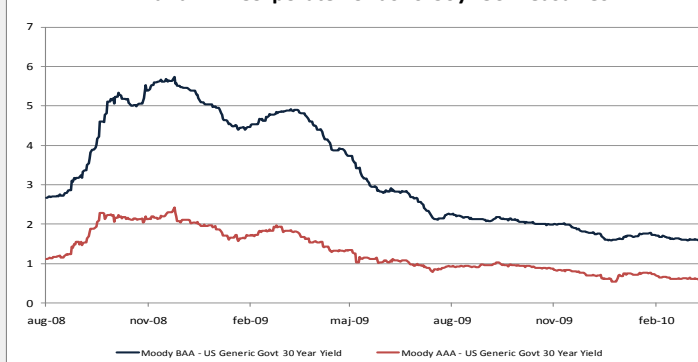
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index


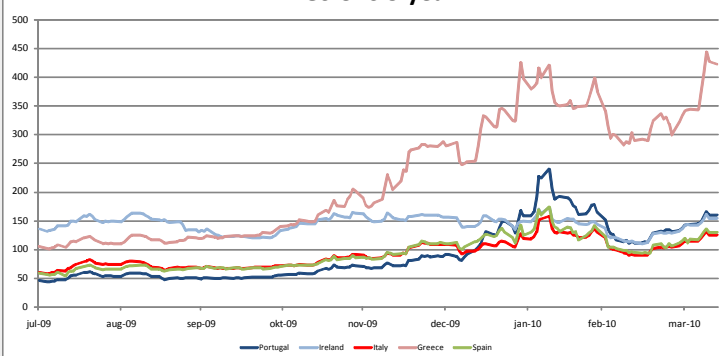
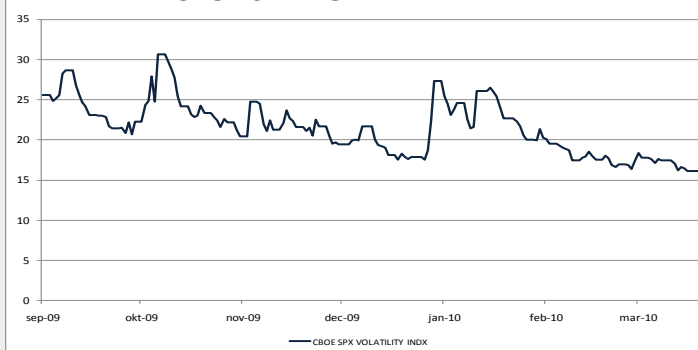
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 47.**

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 16.14** (prev. close at 16.48).

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