

Theme Comment

- The RBA raised the cash rate target overnight by 25bps to 4.5% as expected. The accompanying statement said that interest rates are at their average and that inflation may not fall as much as earlier forecast.
- We expect Pending Home Sales to follow up on its strong 8.2% performance in FEB with another solid MoM gain today as homebuyers rushed to take advantage of the tax credit before it expired (a few days ago on April 30). Factory Orders are also released today, and we expect the 1.3% decline in durable goods orders in Marts to be more or less offset by gains in nondurable goods orders.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
UK	08:30	PMI Manufacturing (APR)		57.5	57.2
US	14:00	Factory Orders MoM (MAR)	-0.2%	-0.1%	0.6%
US	14:00	Pending Home Sales MoM (MAR)		5.0%	8.2%

FX	Daily stance	Comment
EURUSD	0/+	Prefer to buy dips to 1.3160 for a rebound through 1.3225 for 1.3275. Stop below 2010 low 1.3115.
USDJPY	0/+	Break abv 95.0 looks imminent. Look to test 95.50 next. Below 94.10 defers.
EURJPY	0/+	Break abv 125.50 would target 126.30 else stick in a 124.50-125.50 range.
GBPUSD	0/+	Look to buy the dip down to 1.5185 for a rebound back to 1.5325. Stop below 1.5135.
AUDUSD	0	Break below 0.9215 would signal deeper correction to 0.9140 else stay in 0.9215-0.9265 range.
USDCAD	0/-	Res seen at 1.0150 region. Sell rally for retracement back to 1.0050. Stop abv 1.0185.

FX-Options	Comment
EURUSD	Large selling interest in 1m ATM during the New York session knocks it back 0.4 vols so it might imply that the market might be losing faith in the Dollar rally.
USDJPY	Spot moves easily higher just shy of 9500 due to lack of exporter offers out of Tokyo. Vols have held steady and Yen calls and risk reversals seeing some buying interest.
AUDUSD	Vols came off right after the RBA rate decision despite spot dropping to approach the .92 level. Market seen sub-1w downside and ATM strikes.

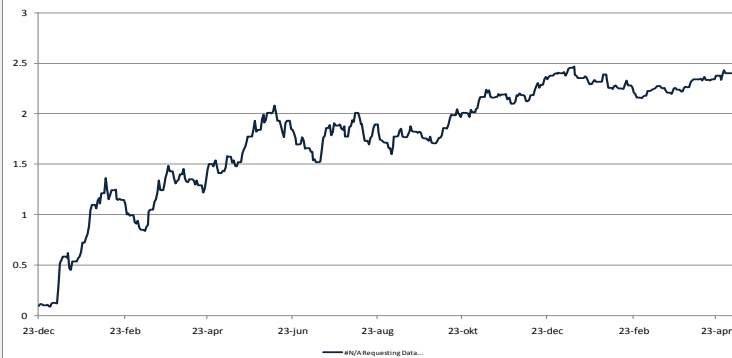
Equities	Daily stance	Comment
DAX	0/+	Buy at the break of 6200 targeting 6250. S/L below 6175.
FTSE	0/+	Buy at the break of 5550 targeting 5600. S/L below 5530.
S&P500	0/+	Buy at the break of 1205 targeting 1211. S/L below 1202.
NASDAQ100	0/+	
DJIA	0/+	

Commodities	Daily Stance	Comment
Gold	0/+	Look to buy dips. Suppt at 1,181, 1,177 behind for next leg higher to 1,187. Stop below 1,173.
Silver	0/+	Look for suppt at 18.68 to hold for a re-test of 18.85. Stop below 18.60.
Oil (CLM0)	0	Break below 85.95 suggests deeper slide to 85.25. Likely 85.25 – 86.25 range.

Earnings Releases

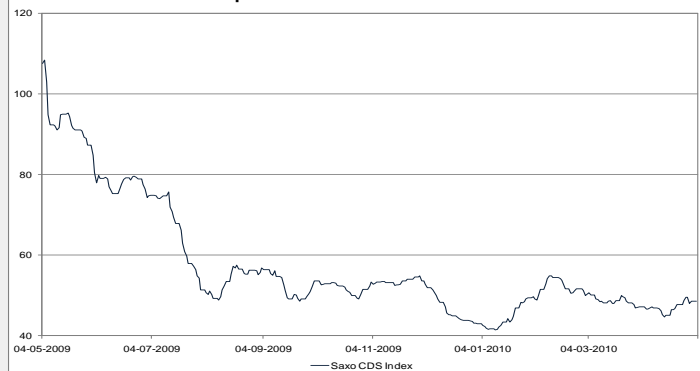
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment
GE	11:00	Deutsche Lufthansa	-0.5930	-0.6517	
GE	-	BMW	0.3960	0.0998	
US	-	XTO Energy	0.4680	0.6800	

#N/A Requesting Data...



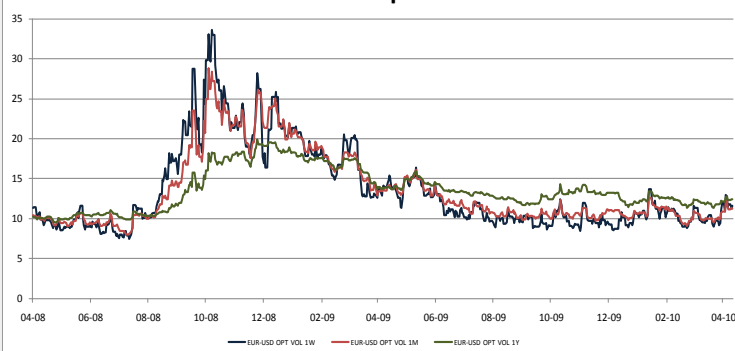
USD breakeven 10 Year – an expression for measuring inflation expectations.

Top 100 Global Stocks CDS Index



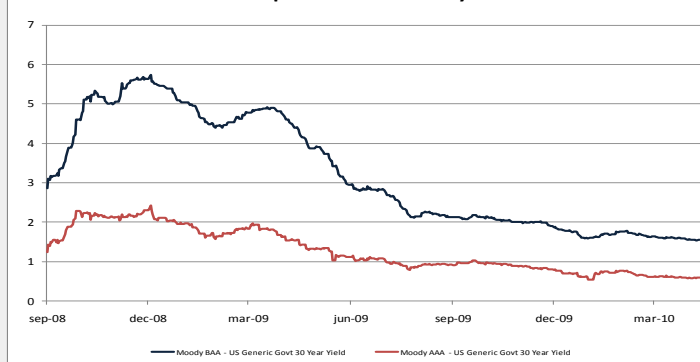
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 48.**

EURUSD Opt. Vol.



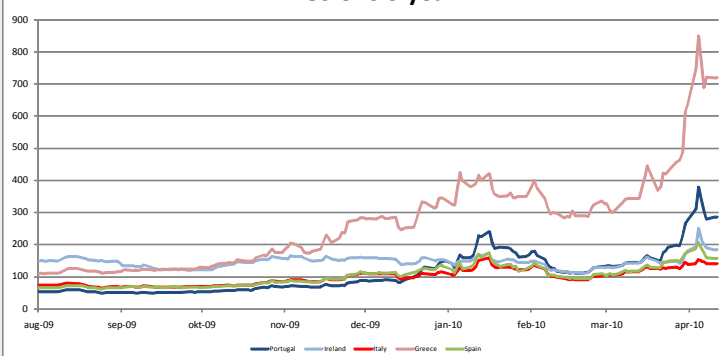
Volatility at different time horizons. Too low, now?

AAA and BAA Corporate Bonds vs. 30yr US Treasuries

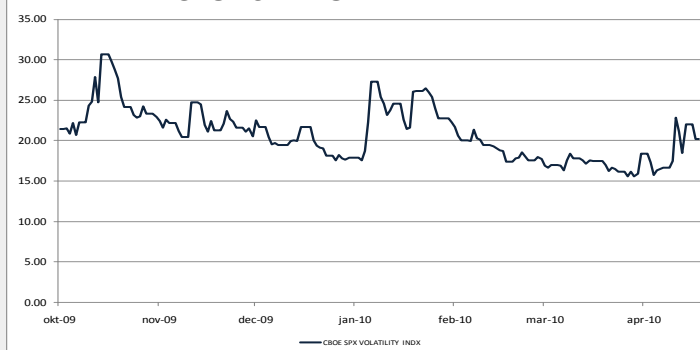


Spreads are easing, but still **showing tight corporate debt markets.**

PIIGS CDS 5 year



CBOE SPX VOLATILITY INDEX



The VIX Index is **now at 20.19** (prev. close at 22.05).

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