

Theme Comment

- Risk sentiment improved overnight as sovereign debt fears eased. Spain presented some additional austerity measures including extra deficit cuts of 0.5% and 1.0% of GDP in 2010 and 2011, respectively.
- Australia also joined the party with a solid employment report (employment change came in at 33.7K vs. 22.5K expected) though the rate of unemployment did rise to 5.4%. Full time employment rose 37.5K in April.
- We are bullish on risk today amid a light calendar for companies and macro releases.

Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
UK	08:30	Trade Balance (MAR)		-£2500	-£2061
US	12:30	Import Price Index MoM (APR)		0.8%	0.7%
US	12:30	Initial / Continuing Jobless Claims		440K / 4,590K	444K / 4,594K

FX	Daily stance	Comment
EURUSD	0/+	1.26 holds the n/term key. While holding, risk we extend gains to 1.2710, Below sees 1.2525.
USDJPY	0	See n/term res at 93.35. If breaks, risk we extend to 93.85.
EURJPY	0/+	Think break abv 118.0 suggests we test higher to 120.0 area.
GBPUSD	0/+	Think we test higher to 1.4940 res. Suppt moving up to 1.4825.
AUDUSD	0/+	Break abv 0.8990 suggests we test higher to 0.9035-50 window.
USDCAD	0/-	See res at 1.0160 for a dip back to 1.01, poss 1.0055. Stop abv 1.0185.

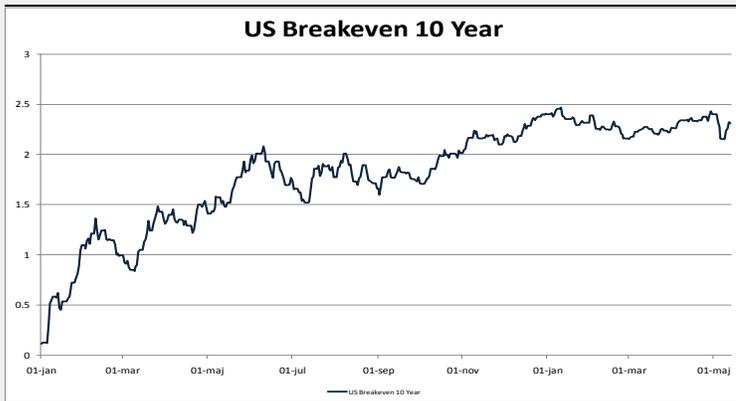
FX-Options	Comment
EURUSD	Vols were hit hard as spot finds some support. There were very few bids holding up the curve but the overnights were still trading firm and will remain sensitive to spot.
USDJPY	Spot has been stuck in a tight range in Asia and gamma getting hit. There is room for vols to come off further and would expect the 1y to trade back to around 13%.
AUDUSD	Vols sold in Asia as spot recovers above 9000. Liquidity is improving and it seems that the spot ranges have narrowed somewhat so expect vols to remain weak until the next jolt.

Equities	Daily stance	Comment
DAX	0/+	Buy on dips towards 6220 targeting 6250. S/L below 6208.
FTSE	0/+	Buy on dips towards 5410 targeting 5454. S/L below 5390.
S&P500	0/+	Buy on dips towards 1172 targeting 1179. S/L below 1170.
NASDAQ100	0/+	
DJIA	0/+	

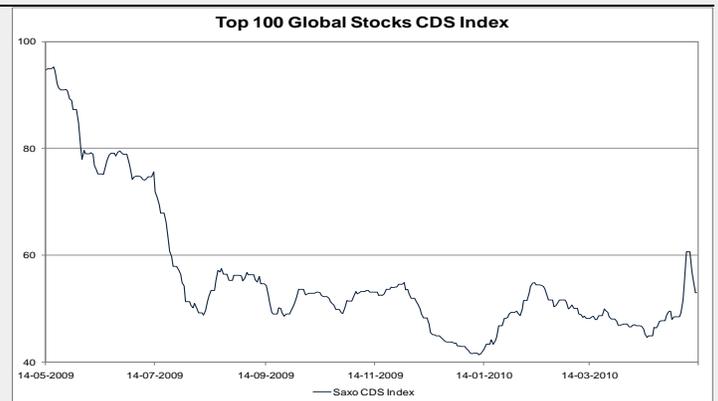
Commodities	Daily Stance	Comment
Gold	0/+	Buy on dips towards 1234 and target 1240. Stop below 1230.
Silver	0/+	Buy on dips towards 19.46 and target 19.55. Stop below 19.41.
Oil (CLM0)	0/+	Buy on dips towards 75.30 and target 75.70. Stop below 75.10.

Earnings Releases

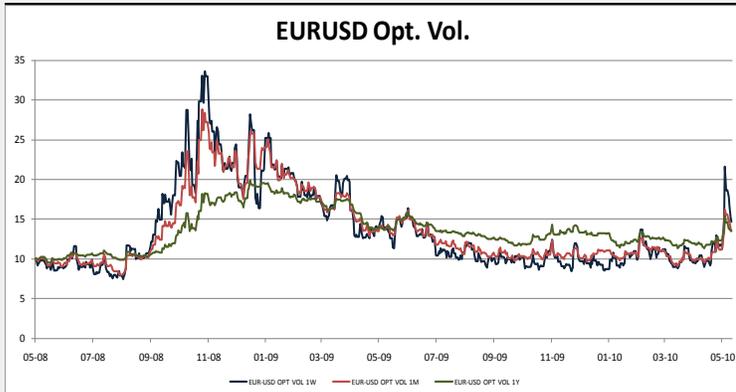
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment



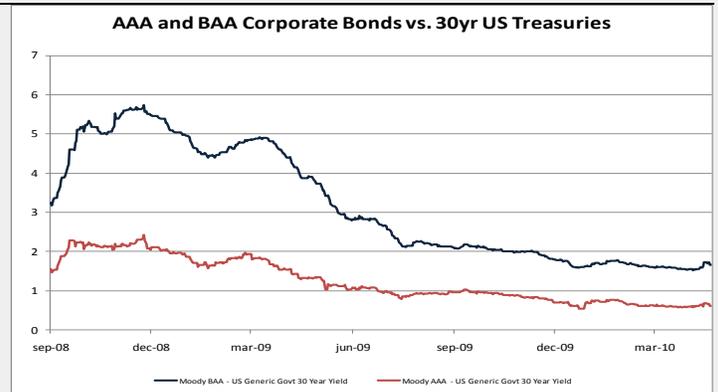
USD breakeven 10 Year – an expression for measuring inflation expectations.



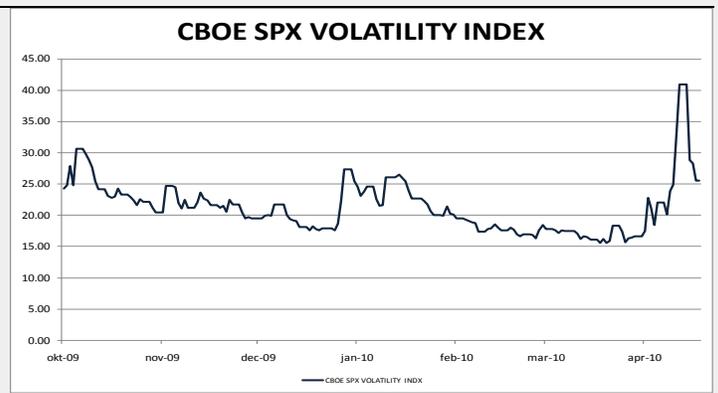
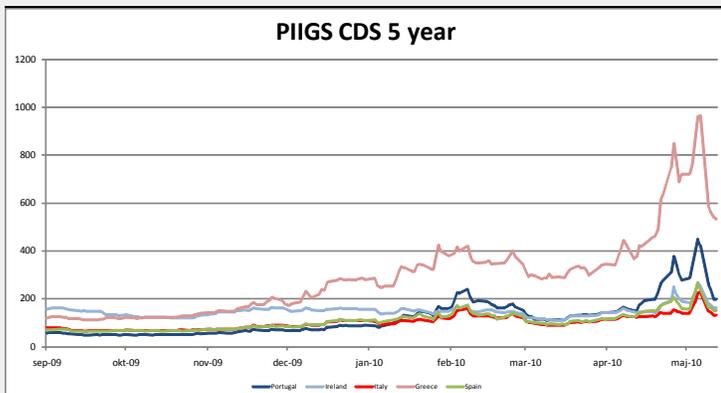
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 53.**



Volatility at different time horizons. Too low, now?



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



The VIX Index is **now at 25.52** (prev. close at 28.32).

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