

## Theme Comment

- A quiet Monday in terms of macro data will kick off this week, so focus will be on the reporting companies, and of course the continued problems surrounding the PIIGS countries.
- Spreads have widened again and stocks fell overnight over failure to get any closer to a solution to the budget deficits in the Eurozone. We remain negative on risk today and sell on rallies.
- The revision of nonfarm payrolls last Friday meant that the March 2009 level was revised down by 930K while the December 2009 level was changed by -1,363K. Meanwhile consumer credit continues to fall, this time by \$1.7bn.

## Economic Data Releases

Country	Time (GMT)	Name	Saxo	Consensus	Prior
EC	09:30	Sentix Investor Confidence (FEB)		-2.3	-3.7
CA	13:15	Housing Starts (JAN)		180K	175K

FX	Daily stance	Comment
EURUSD	0/-	Prefer to sell rallies to 1.3670, stop abv 1.3715 for a 1.3570 target.
USDJPY	0/-	Risk of a rebound up to 89.65 but would sell there for 88.80, stop abv 90.15.
EURJPY	0/-	Look to sell rallies to 122.50 for a re-test of 121.0. Stop abv 123.10.
GBPUSD	0	While below 1.5620 expect to test 1.5500. Abv risks deeper rebound to 1.5725.
AUDUSD	0/-	Look to sell rallies to 0.8685 res for a retracement back to 0.86 then 0.8580. Stop abv 0.8715.

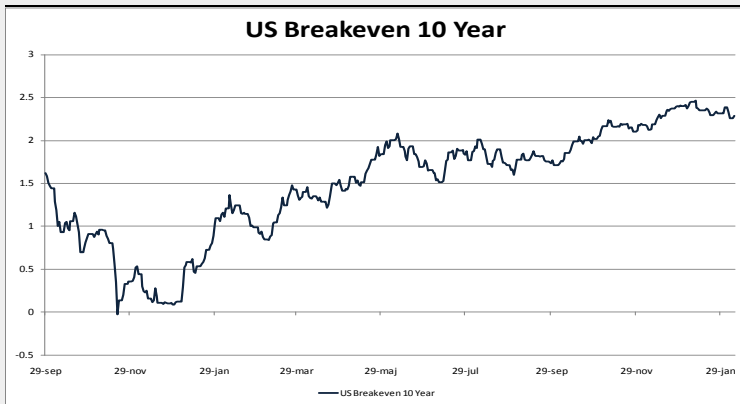
FX-Options	Comment
EURUSD	Liquidity remains poor and vols marched higher on Friday. Risk reversals are also in sought after as spot attempts to retest levels under 1.36.
USDJPY	Yen vols stay well bid particularly in the 6m-1y part of the curve. Gamma, on the other hand, starts to see offers as spot underperforms.
AUDUSD	Vols have eased in a quiet Asian session but continue to remain firm. Fears of risk aversion will lend support to risk reversals and gamma in particular.

Equities	Daily stance	Comment
DAX	0/-	Sell on rallies towards 5472 and target 5430. Stop above 5490.
FTSE	0/-	Sell on rallies towards 5129 and target 5100. Stop above 5145.
S&P500	0/-	Sell on rallies towards 1064 and target 1055. Stop above 1067.
NASDAQ100	0/-	
DJIA	0/-	

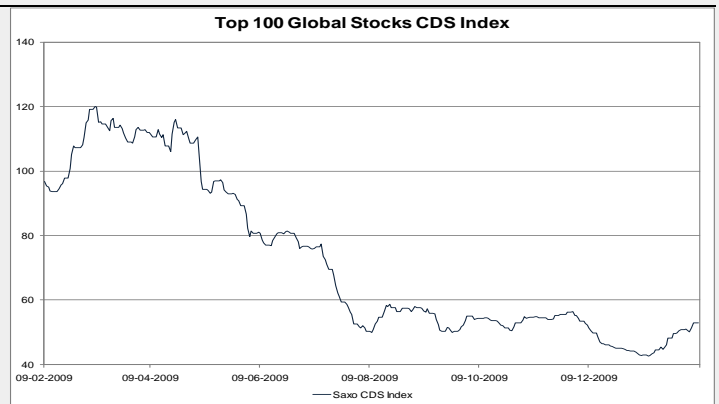
Commodities	Daily Stance	Comment
Gold	0	Likely ranging 1,060-1,070. Sell break below for re-test of 1,050. Stop abv 1,076.
Silver	0/-	Sell rally to 15.15 for re-test of 14.65 lows. Stop abv 15.37.
Oil (CLH0)	0	Look for consolidation between 71.30 and 72.20 after Fri's sharp drop.

## Earnings Releases

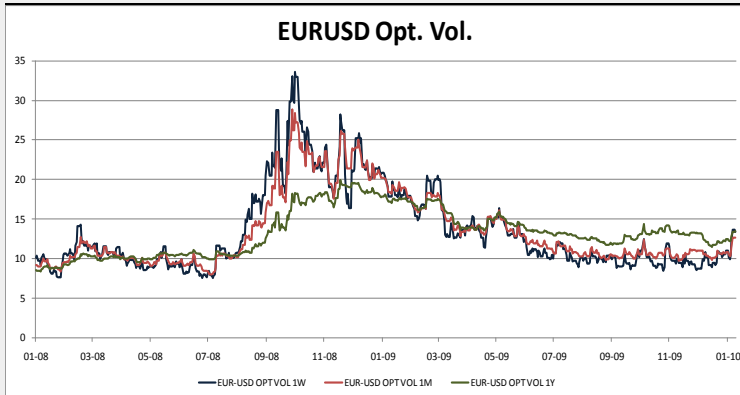
Country	Time (GMT)	Name	EPS exp.	EPS prior	Comment
US	Bef-Mkt	CVS Caremark Corp	0.777	0.639	
US	Bef-Mkt	Loews Corp	0.970	0.765	



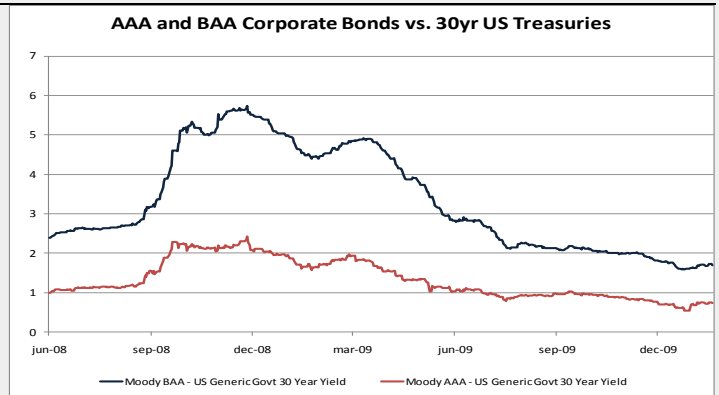
USD breakeven 10 Year – an expression for measuring inflation expectations.



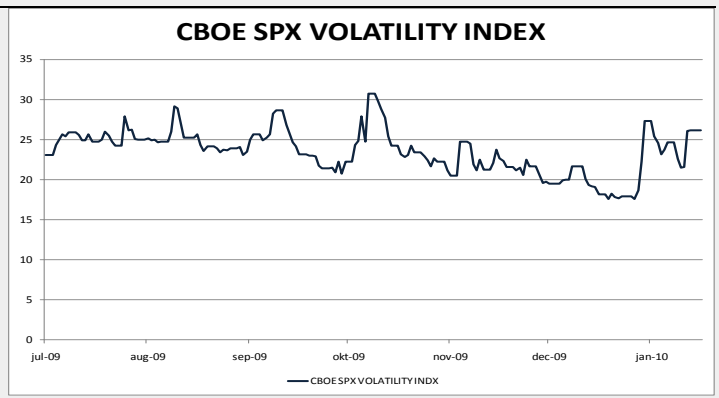
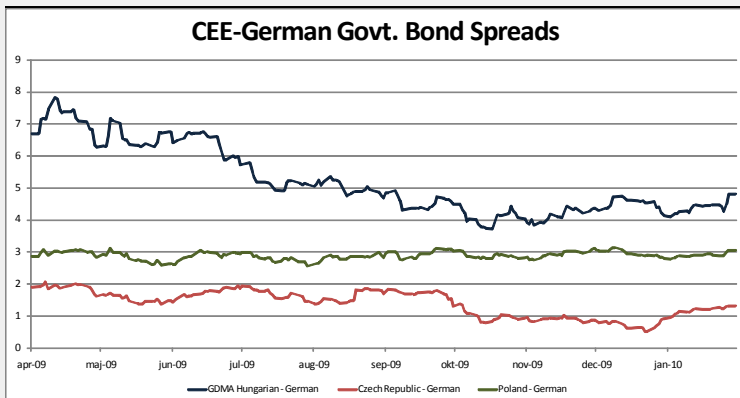
Credit Default Swaps are expressions for the perceived default risk in a company. **Now at 53.**



Volatility at different time horizons. Too low, now?



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



The VIX Index is **now at 26.**

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