

date 15/04/2013

Previous days notes

A worsening Eu growth outlook set the early "risk off" tone As Germany and France joined the periphs with weak GDP. Whilst ECB's Constancio suggesting negative interest rates are a possibility also added to the rush back into bonds and stirs. Expect bonds to continue higher which will lead to more 2s10s flattening in the short term, but we look finely balanced at the mo longer term. The risk reward is 50/50 for me here at these prices. I have strong conviction on buying dips in 2s5s and 5s10s as they close into my daily ma's as support. 2s10s is on support but based on my veiw for higher bunds i cant commit to buying the spread here maybe a half unit long around 409.55. But constant ECB member comments on FX rates will mean choppy action.

spread	ratio	day 60 MA	day 20 MA	30 min mmntm	30min spprt #3	30min spprt #2	30min spprt #1	prev lo	prev close	prev hi	30min resist #1	30 min resist #2	30 min resist #3
2s5s	2.5-1	148.82	149.84	side ways	149.62	149.77	149.85	149.77	149.86	149.99	150.02	150.17	150.17
2s10s	5-1	409.40	409.25	side ways	409.37	409.55	409.77	409.66	409.88	410.01	409.97	410.02	410.40
5s10s	2-1	109.80	109.58	side ways	109.80	109.88	109.94	110.03	110.17	110.21	110.25	110.35	110.35

notable figures

- 08:00 Spain CPI
- 09:30 uk retails sales
- 10:00 EUR trade balance
- 13:30 US empire manufacturing
- 14:00 US Tic flows
- 14:15 US industrial production
- 14:15 US capacity utilisation
- 14:55 US Michigan Consumer Confidence

