

Global Markets Weekly Preview

March 22, 2010

The Week Ahead

This week, flash estimate of the PMIs and the IFO survey for March will in focus in Europe. Composite PMI is expected to be unchanged at 53.7 and IFO business climate is likely to be unchanged at 95.8. European Council meeting on 25-26 March will be the key event in terms of the Greek financial crisis.

In the UK, the budget report on Wednesday and the February inflation figures on Tuesday will be in focus.

In the US, existing home sales on Tuesday and new home sales on Wednesday will be the most watched reports.

Market Data*		
CDS HY 5Y	537.82	
ITX Crossover	428.10	
CDS Japan 5Y	58.43	
CDS EM 5Y	112.18	
CDS Russia 5Y	133.09	
US Tsys 10Y	3.92%	+0.15%
US Tsys 5Y	2.74%	-0.17%
Brazil 10Y	4.81%	-0.38%
UK 10Y	3.83%	+0.88%
Germany 10Y	3.04%	+0.57%
EUR/USD	1.3537	+1.03%
USD/JPY	90.54	-0.10%
EUR/GBP	0.9024	+0.53%
Oil Brent	79.68	+1.26%
Gold	1106.8	+0.14%
Copper	7435	-0.13%
Nickel	22412	+3.36%
S&P 500	1159.9	+0.86%
Topix	940.5	+1.13%
Shanghai Comp	3,074.58	+3.28%
DJ EURO Stoxx	2881.46	+0.30%
VIX	16.97	+0.35

* Weekly change, as of 12:00 GMT, according to Bloomberg

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Economic Calendar*					
Time, GMT	Country	Data	Period	Consensus	Prior
03/22/2010 12:30	US	Chicago Fed Nat Activity Index	FEB	--	0.02
03/22/2010 15:00	EC	Euro-Zone Consumer Confidence	MAR	-17	-17
03/22/2010 23:50	JN	BoJ Monetary Policy Meeting	23-		
03/23/2010 05:00	JN	Supermarket Sales (YoY)	FEB	--	-4.90%
03/23/2010 07:00	JN	Convenience Store Sales YoY	FEB	--	-5.30%
03/23/2010 09:30	UK	CPI (MoM)	FEB	0.50%	-0.20%
03/23/2010 09:30	UK	CPI (YoY)	FEB	3.10%	3.50%
03/23/2010 09:30	UK	Core CPI YOY	FEB	3.10%	3.10%
03/23/2010 09:30	UK	RPI (MoM)	FEB	0.70%	0.00%
03/23/2010 09:30	UK	RPI (YoY)	FEB	3.80%	3.70%
03/23/2010 14:00	US	Existing Home Sales	FEB	4.98M	5.05M
03/23/2010 14:00	US	House Price Index MoM	JAN	-0.90%	-1.60%
03/23/2010 14:00	US	Richmond Fed Manufact. Index	MAR	5	2
03/23/2010 14:00	US	Existing Home Sales MoM	FEB	-1.40%	-7.20%
03/24/2010 08:30	GE	PMI Manufacturing	MAR	56.8	57.2
03/24/2010 08:30	GE	PMI Services	MAR	52.2	51.9
03/24/2010 09:00	EC	PMI Services	MAR	52.1	51.8
03/24/2010 09:00	EC	PMI Manufacturing	MAR	54	54.2
03/24/2010 09:00	EC	PMI Composite	MAR	53.8	53.7
03/24/2010 09:00	GE	IFO - Business Climate	MAR	95.8	95.2
03/24/2010 09:00	GE	IFO - Current Assessment	MAR	91	89.8
03/24/2010 09:00	GE	IFO - Expectations	MAR	100.9	100.9
03/24/2010 10:00	EC	Industrial New Orders SA (MoM)	JAN	1.80%	0.80%
03/24/2010 10:00	EC	Industrial New Orders SA (YoY)	JAN	13.90%	9.50%
03/24/2010 11:00	US	MBA Mortgage Applications	19-	--	-1.90%
03/24/2010 12:30	US	Durable Goods Orders	FEB	0.50%	3.00%
03/24/2010 12:30	US	Durables Ex Transportation	FEB	0.60%	-0.60%
03/24/2010 14:00	US	New Home Sales	FEB	315K	309K
03/24/2010 14:00	US	New Home Sales MoM	FEB	1.90%	-11.20%
03/24/2010 14:30	US	DOE U.S. Crude Oil Inventories	19-	--	1012K
03/24/2010 14:30	US	DOE U.S. Gasoline Inventories	19-	--	-1710K
03/24/2010 14:30	US	DOE U.S. Distillate Inventory	19-	--	-1491K
03/25/2010 07:00	GE	GfK Consumer Confidence Survey	APR	3.1	3.2
03/25/2010 09:00	EC	Euro-Zone M3 s.a. (YoY)	FEB	-0.10%	0.10%
03/25/2010 09:00	EC	Euro-Zone M3 s.a. 3 mth ave.	FEB	-0.10%	-0.10%
03/25/2010 12:30	US	Initial Jobless Claims	20-	450K	457K
03/25/2010 12:30	US	Continuing Claims	13-	4560K	4579K

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03/25/2010 23:30	JN	Natl CPI YoY	FEB	-1.10%	-1.30%
03/25/2010 23:30	JN	Natl CPI Ex-Fresh Food YoY	FEB	-1.20%	-1.30%
03/25/2010 23:30	JN	Natl CPI Ex Food, Energy YoY	FEB	-1.10%	-1.20%
03/26/2010 02:00	CH	Industrial Profits YTD YoY	FEB	--	7.80%
03/26/2010 07:40	EC	Austria's WIFO Reports Economic	26-		
03/26/2010 12:30	US	GDP QoQ (Annualized)	4Q T	5.90%	5.90%
03/26/2010 12:30	US	Personal Consumption	4Q T	1.70%	1.70%
03/26/2010 12:30	US	GDP Price Index	4Q T	0.40%	0.40%
03/26/2010 12:30	US	Core PCE QoQ	4Q T	1.60%	1.60%
03/26/2010 13:55	US	U. of Michigan Confidence	MAR	73	72.5

Central Bank Speakers & US Treasuries Auctions

Time	Ct	Event
03/22/2010 15:30	EC	ECB's Trichet Speaks at Parliamentary Panel
03/22/2010 16:45	EC	ECB's Gonzalez-Paramo Speaks at Forum in Washington
03/22/2010 19:45	US	Fed's Lockhart Speaks on Economic Outlook in Naples, Florida
03/23/2010 09:00	FI	ECB Council Member Liikanen Speaks in Helsinki
03/23/2010 17:00	US	U.S. to Sell USD44 Bln 2-Year Notes
03/23/2010 19:35	US	Fed's Yellen Speaks on U.S. Economy in Los Angeles
03/24/2010 09:00	IT	ECB's Bini Smaghi Holds Speech in Milan
03/24/2010 13:00	SP	ECB's Ordonez Speaks in Valencia
03/24/2010 14:45	US	Fed's Hoenig Speaks in Washington at U.S. Chamber of Commerce
03/24/2010 15:00	GE	ECB's Stark Holds Speech in Dusseldorf, Germany
03/24/2010 17:00	US	U.S. to Sell USD42 Bln 5-Year Notes
03/25/2010 00:00	US	Fed's Kohn Speaks in Davidson, North Carolina
03/25/2010 11:30	BE	ECB's Trichet Speaks at Conference in Brussels
03/25/2010 13:10	US	Fed's Pinalto Speaks to Local Chamber of Commerce in Florida
03/25/2010 14:00	US	Bernanke Testifies on Exit Strategy in Rescheduled Hearing

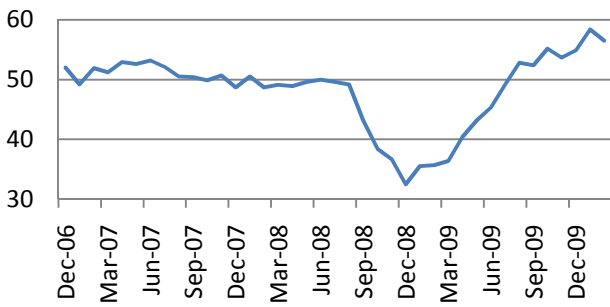
03/25/2010 17:00	US	U.S. to Sell USD32 Bln 7-Year Notes
03/25/2010	EC	ECB's Mersch Presents BCL's Accounts
03/25/2010 18:30	EC	ECB's Gonzalez-Paramo speaks in Madrid
03/26/2010 07:30	IT	ECB's Bini Smaghi Holds Speech in Cernobbio, Italy
03/26/2010 15:30	US	Fed's Warsh Speaks at New York Event on Fed Independence
03/26/2010 17:00	US	Baker Hughes U.S. Rig Count
03/26/2010 20:00	US	Fed's Bullard, ECB's Papademos Speak in Washington
03/26/2010 22:00	US	Fed's Tarullo Speaks at Conference in Washington

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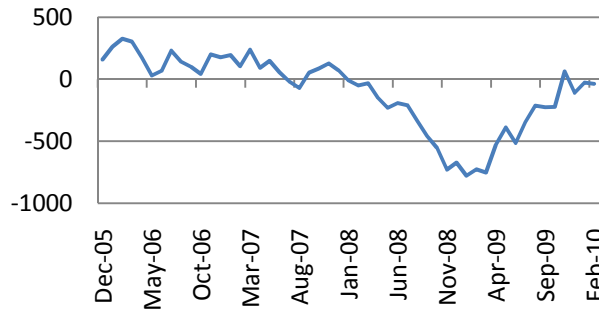
Earnings calendar, Europe*					
Company Name	Ticker	Date	Time	Cons.	Period
Eurazeo	RF FP	3/22/2010	5:45	Y 2009	3.016
Wolseley PLC	WOS LN	3/22/2010	7:00	S1 2010	0.253
OPAP SA	OPAP GA	3/22/2010	Aft-mkt	Y 2009	2.023
Cairn Energy PLC	CNE LN	3/23/2010	6:00	Y 2009	0.005
Legal & General Group PLC	LGEN LN	3/23/2010	7:00	Y 2009	0.086
Celesio AG	CLS1 GR	3/23/2010	8:30	Y 2009	1.562
Rheinmetall AG	RHM GR	3/23/2010	9:00	Y 2009	-0.214
Banca Popolare di Milano Scarl	PMI IM	3/23/2010	Aft-mkt	Y 2009	0.358
Raiffeisen International Bank Holding AG	RIBH AV	3/23/2010		Y 2009	1.058
Mediaset SpA	MS IM	3/23/2010		Y 2009	0.251
Iliad SA	ILD FP	3/23/2010		Y 2009	3.206
Carnival PLC	CCL LN	3/23/2010		Q1 2010	0.124
Wacker Chemie AG	WCH GR	3/24/2010	15:00	Y 2009	3.279
Societa Cattolica di Assicurazioni SCRL	CASS IM	3/24/2010		Y 2009	1.292
Immoeast AG	IEA AV	3/24/2010		Q3 2010	
A2A SpA	A2A IM	3/24/2010		Y 2009	0.07
Smiths Group PLC	SMIN LN	3/24/2010		S1 2010	0.314
Bellway PLC	BWY LN	3/24/2010		S1 2010	0.112
Soco International PLC	SIA LN	3/24/2010		Y 2009	0.676
Eurasian Natural Resources Corp PLC	ENRC LN	3/24/2010		Y 2009	0.819
Hermes International	RMS FP	3/25/2010	Bef-mkt	Y 2009	2.823
Hochtief AG	HOT GR	3/25/2010	6:00	Y 2009	2.608
Kingfisher PLC	KGF LN	3/25/2010	7:00	Y 2010	0.16
United Internet AG	UTDI GR	3/25/2010		Y 2009	0.788
Banca Monte dei Paschi di Siena SpA	BMPS IM	3/25/2010		Y 2009	0.037
Telecom Italia SpA	TIT IM	3/25/2010		Y 2009	0.101
Petropavlovsk PLC	POG LN	3/25/2010		Y 2009	0.954
Next PLC	NXT LN	3/25/2010		Y 2010	1.81
Premier Oil PLC	PMO LN	3/25/2010		Y 2009	0.709
Bank of Greece	TELL GA	3/26/2010		Y 2009	

Economic monitor

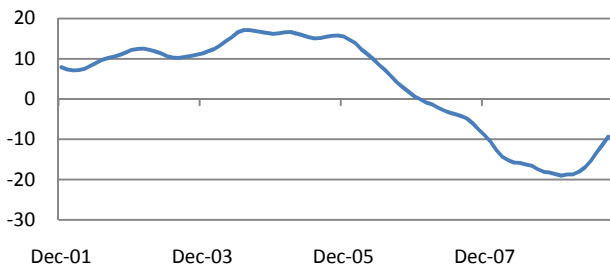
ISM Manufacturing Index



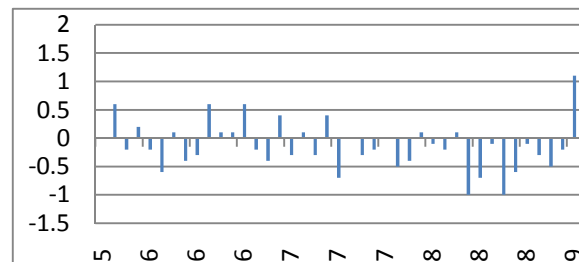
Non-farm Payrolls



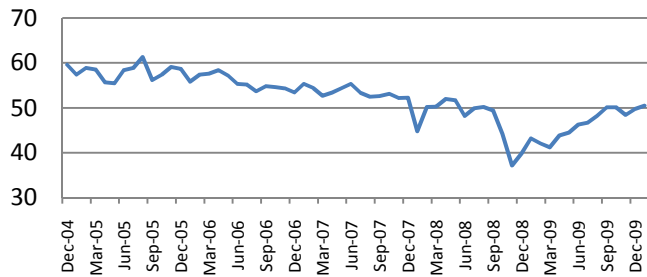
S&P Case/Shiller Index



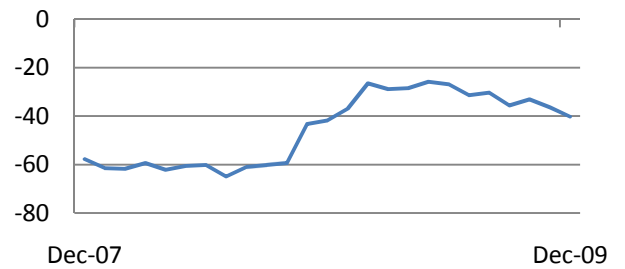
US leading indicators index



ISM Non-Manufacturing



US Trade Deficit



*Data provided by Bloomberg

Technical View

S&P 500 Index, daily



S&P 500 is moving to the upper band of the expanding triangle around 1200. 1-2 months consolidation scenario in the expanding range looks the most likely scenario now.

Negative scenario will unwind in case support at 1100 is broken. Next support will be around 200 MA at 1010 points. If long A-B-C correction (started in March) is ended we might be at the beginning of a new major Index decline with testing July (900) or even March (667) lows in the coming 2-4 months.

Dow Jones Stoxx 600 Europe Index, daily



The index has passed upper bound of the 240-260 range. Breakout will lead to testing September 2008 highs around 285.

However, if short-term reversal occurs in the coming days and 238 support-level is broken, testing MA 200 at 229 points will become highly likely. Further support levels are around May highs (213-215 points).

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EURUSD, daily



In EURUSD case 2 possible Elliott wave counting options are possible: 1) 5th wave of the C (B)-wave ended in December and (i)(C) is unwinding. 2) Current leg is the 4th wave) and new highs above 1.50 can be seen later that year.

For now, downwards zigzag seems to have ended and price has found a support level at 1.345. In the coming weeks resistance at 1.40-1.42 may be tested. Next important long-term support is around 1.31.

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