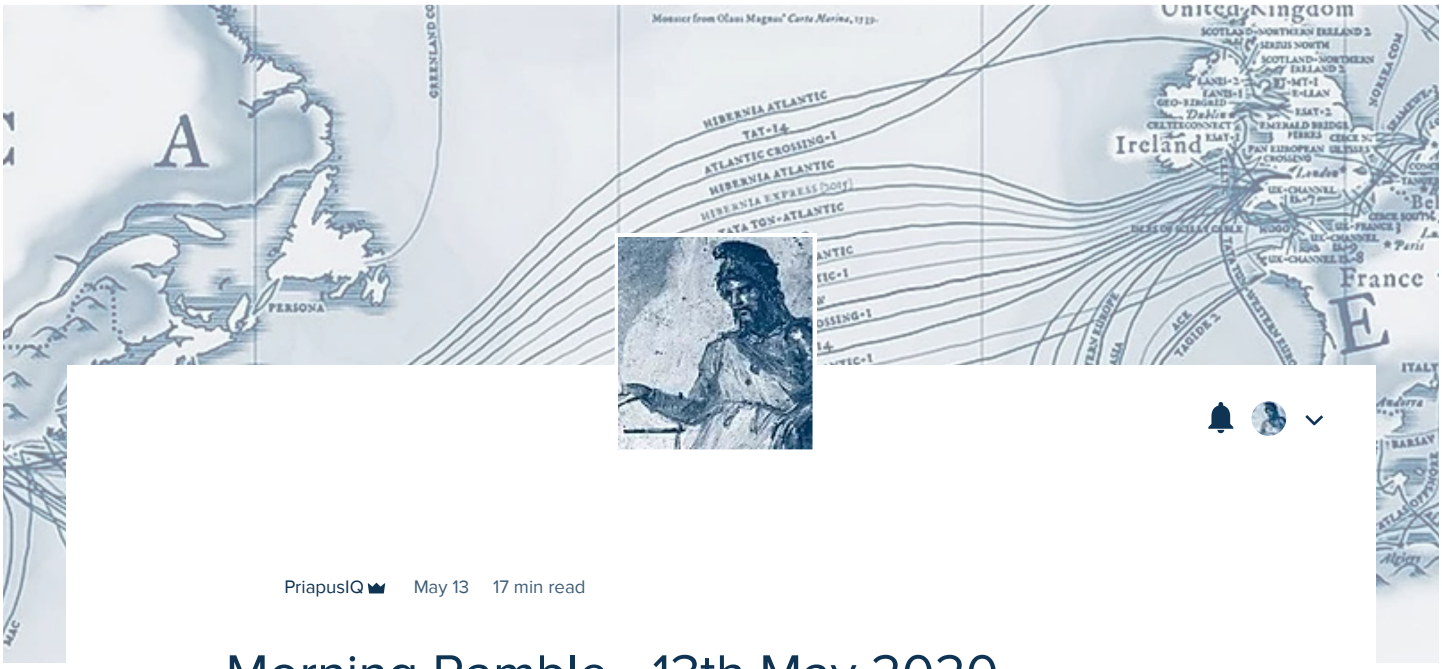
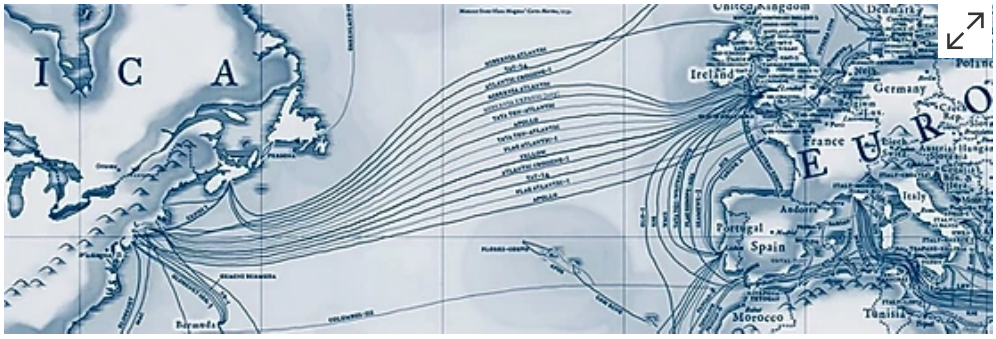


PriapusIQ May 13 17 min read

Morning Ramble - 13th May 2020



May 13th Research Folder

Morning all!

Had some great feedback yesterday for both the Halvening 101 article and the new addition of the daily research folder.

As I keep mentioning, this is very much a work in progress, any additions or tweaks to the service you'd like to see please let me know.

I can't promise they will happen or how long they will take to implement but I can promise that I will consider anything and everything to continue to add value for you guys.

On with the Ramble

Negative Rates Ahoy?

Everyone and their aunt is looking for comments on negative rates, and with Powell speaking later today the question on everyone's lips is what will he say?

Well, I can tell you one thing, he's not going to come out saying 'oh yeah lads, I'm a massive fan of the old negative rates so I am.', no course he's not.

Let's get this straight, the Fed doesn't want negative rates but that doesn't mean they won't vote them in.

As we've already seen this year, the Fed can be forced into a position where they have to make the move the market has chosen for them.

The Fed, like the ECB, loves to take the path of least resistance, and that path may just be lower rates.

I found this great column by Mike Dolan on RTRS last night -

Is Fed too quick to dismiss negative rates? -Mike Dolan - Reuters News

The risk that the coronavirus shock will seed a nasty bout of deflation in the debt-laden U.S. economy means markets are rational to consider at least some chance that Federal Reserve policy rates could head below zero.

In the last week, futures markets briefly priced in a first move into negative territory for Fed policy rates by mid-2021, a path already trodden by the European Central Bank, Bank of Japan and Swedish Riksbank in the decade since the financial crash.

On Tuesday, April statistics showed the headline annual rate of U.S. consumer price inflation falling to as little as 0.3% -- its lowest since 2016 and a whisker away from the Fed's 0-0.25% target range for overnight interest rates.

While core inflation excluding volatile energy prices was a healthier 1.4%, that fall in inflation could mean 'real' interest rates are not deeply negative enough to swiftly revive the virus-hit economy as the Fed hopes.

And the speed with which Fed officials have queued up in recent days to dismiss negative policy rates seems at odds with a whatever-it-takes stance that has embraced most other "out of the box" ideas in tackling this sudden stop in the economy.

Their main concern appears to be the potential damage that negative rates do to the banking system, which the Fed relies on to kick-start lending and act as a conduit for its monetary operations.

That's certainly been the growing worry in the eurozone since the ECB went sub-zero in 2014. Banks as well as savers have lobbied against the policy in Germany and elsewhere -- successfully enough that the ECB did not cut its main policy rate any further in response to the pandemic.

Others fear negative rates risk exaggerating a "paradox of thrift" where savers earning less and less in interest just end up saving even more.

But some economists are convinced the Fed has taken negative rates off the table too early. They say the policy should be part of its toolkit of extraordinary measures to help avert a depression and ease the mountain of debt the U.S. government, cities and firms have incurred because of the coronavirus.

Harvard professor and former International Monetary Fund chief economist Ken Rogoff said the Fed needs to consider the chance there is no rapid economic recovery from the COVID-19 shock and that 2019 output levels take many years to recapture.

Writing for the website Project Syndicate this week, Rogoff reckons that in that negative scenario, debts would be unsustainable and creditors would have to be forced to take at least

some of the hit in a gigantic workout -- leading to an "unholy mess", years of litigation and a bonanza for lawyers.

"Before carrying out debt-restructuring surgery on everything, wouldn't it better to try a dose of normal monetary stimulus?" he wrote.

Negative rates of -3% or lower could lift firms, states and cities from default, boost demand and jobs and be a boon to many hobbled emerging economies too, Rogoff said.

While emergency implementation of deeply negative interest rates would not solve all today's problems, he added, "if ... equilibrium real interest rates are set to be lower than ever over the next few years, it is time for central banks and governments to give the idea a long, hard and urgent look".

Rogoff claims objections to negative rates are "either "fuzzy-headed or easily addressed" and he and other economists have suggested measures to deter cash-hoarding to avoid the effective tax.

These range from time-varying fees for cash deposits at the central bank to the withdrawal of large-denomination banknotes and accelerating moves to central bank digital currencies, which potentially allow cash-holding fees to be levied remotely.

NEVER, OR JUST STALLING FOR TIME?

As debate about negative rates bubbles again, other previously sceptical central bankers seem more reluctant to rule the policy out.

"This is a question that's been thought about on and off since the financial crisis, and it's a balanced judgment," Bank of England Deputy Governor Ben Broadbent said on Tuesday, adding it's "quite possible that more monetary easing will be needed".

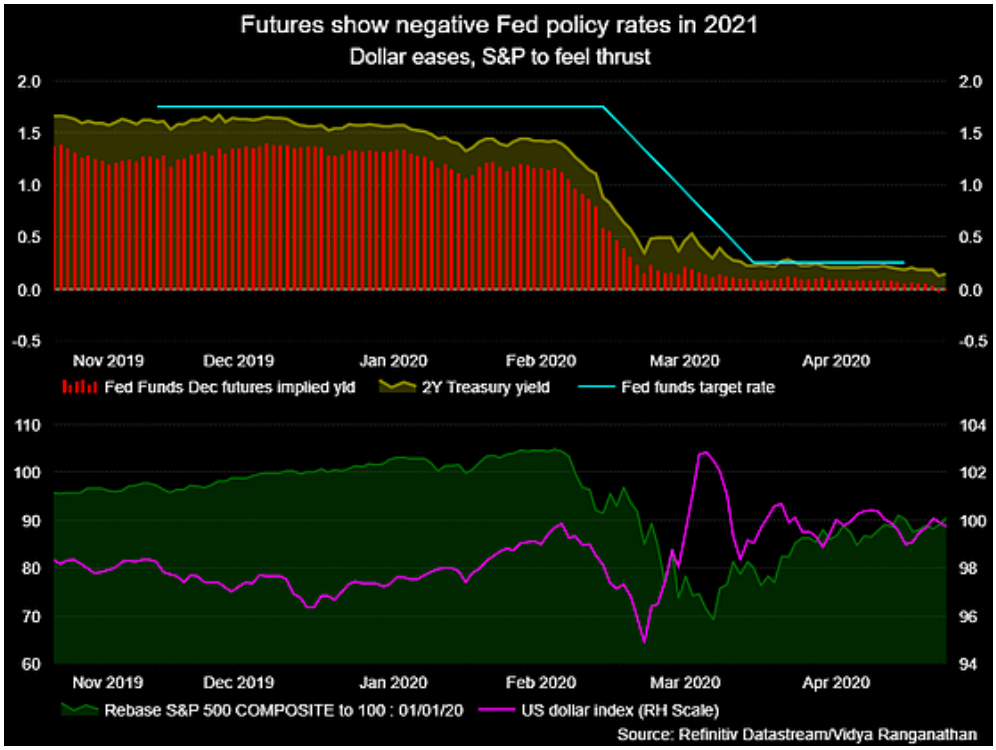
But do markets think the Fed is bluffing in its persistent objection to negative rates or just stalling for time?

Mike Kelly, head of multi-asset investments at the $100 billion Pinebridge Investments, said it made sense that futures price in at least the possibility, though he doubted the Fed would go there just yet.

"They will do everything to resist negative nominal rates," said Kelly, even if a substantial economic relapse meant "everything is back on the table".

Instead, he reckoned the Fed would rely on real rates of -1% or more in the bond markets to achieve its aims -- forcing investors to "de-governmentbond-ize" portfolios.

"What do I do when the U.S. yield curve joins the other two (in Japan and the euro zone) in being lobotomized by policy?"

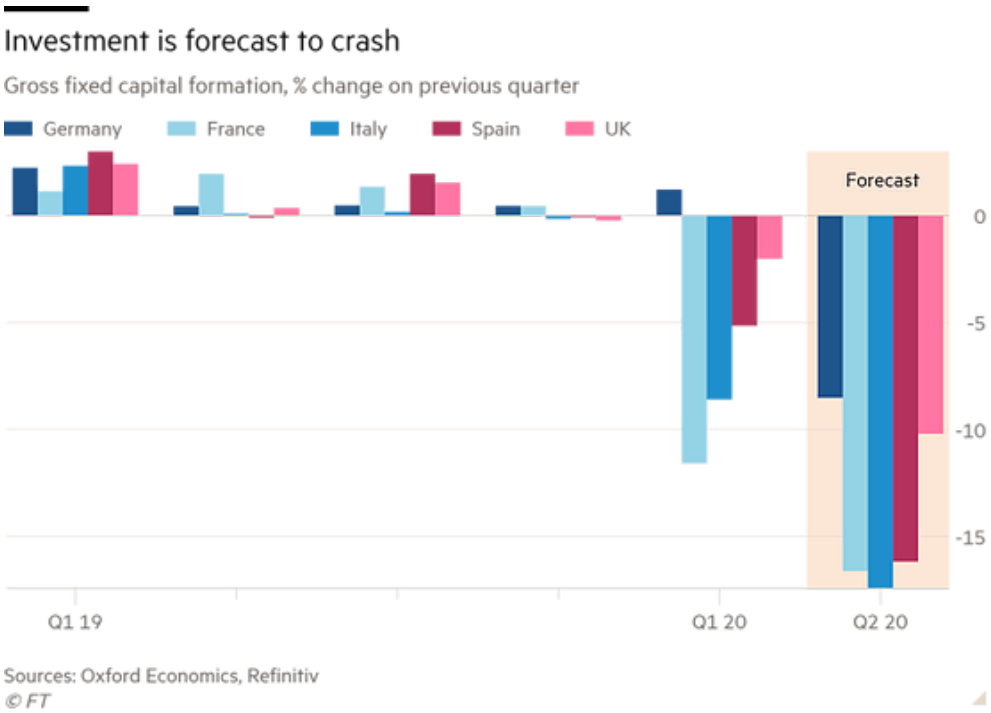


The truth is, the market doesn't care what you or I think, it barely cares what Powell thinks, my best advice for anyone trading around the will they/wont they of negative rates is simply to not confuse your own opinions of them with the markets desire for them.

As I've mentioned countless times, I don't believe cutting rates is the answer to any COVID question, I didn't before the last round of cutting, but I could see the writing on the wall that cuts were coming.

It's the same now, IMO negative rates would be a pointless exercise, this isn't a financial crisis, however, I am almost certain we see the Fed cut into negative territory.

Chart Of The Day - European Investment Crash



Investment in Europe will tumble again in the second quarter of this year and depending on how successful the easing of lockdown measures are we could see this repeated into the third quarter too.

It's hard to paint a rosy outlook for the likes of Italy even if Q2 is the low point, I remain bemused by anyone still clutching onto the dreams of a V-shaped economic recovery.

via The FT

In France and Italy, official national surveys showed that businesses' investment plans fell to record lows.

The decline in Europe's overall investment levels was partly driven by a fall in foreign investment. The number of greenfield foreign investment projects in western Europe halved in the first three months of the year compared with the same period last year, according to a database run by fDI Markets, an FT-owned tracker of cross-border investment. The figures exclude portfolio investment and mergers and acquisitions. Only 848 projects were recorded in the region, the lowest in a decade, fDI Markets said; it estimated that this equated to the loss of 200,000 jobs that would otherwise have been created.

Globally, foreign direct investment is forecast to drop up to 40 per cent in 2020 compared with the previous year, according to the UN's trade body Unctad, with energy, airlines and the car industry being the hardest hit.

CV19 Roundup

Deaths

More than 4.27 million people have been reported to be infected by the novel coronavirus globally and 290,324 have died, according to a Reuters tally, as of 0413 GMT on Wednesday.

Americas

* More than 1.37 million people have been infected in the United States and 81,984 have died, according to a Reuters tally, as of 0413 GMT on Wednesday.

* Leading U.S. infectious disease expert Dr. Anthony Fauci warned Congress that a premature lifting of lockdowns could lead to additional outbreaks.

* A newly revised coronavirus mortality model predicts more than 147,000 Americans will die from COVID-19 by early-August, up nearly 10,000 from the last projection.

* Democrats in the U.S. House of Representatives unveiled a $3 trillion-plus coronavirus relief package, only to see the measure flatly rejected by Senate Republicans.

* The Canadian death toll passed the 5,000-mark.

* Total cases in Brazil rose to 177,589, passing that of Germany and drawing nearly even with France's tally of 178,225, amid President Jair Bolsonaro fighting states over his wish to reopen gyms and beauty parlours.

* Mexico confirmed 1,997 new cases and 353 additional deaths, its deadliest day, bringing the national tally to 38,324 and 3,926 deaths.

* Eighty-nine of 180 inmates and one staff member at a jail in the Colombian city Leticia have tested positive.

Europe

* The United Kingdom's death toll now exceeds 40,000, by far the worst yet reported in Europe.

* Millions of British self-employed workers will be able to apply for one-off grants of up to 7,500 pounds ($9,210) from Wednesday, as part of a government assistance package.

* Total cases in Germany increased by 798 to 171,306 and the death toll rose by 101 to 7,634.

* France's death toll rose by 348 to 26,991 on Tuesday.

* Spain ordered a two-week quarantine on travellers arriving from abroad from this Friday.

* Russian President Vladimir Putin's spokesman Dmitry Peskov said he had tested positive and was receiving treatment at a hospital.

* Denmark is "very unlikely" to be hit by a second wave of COVID-19, the country's chief epidemiologist said.

Asia-Pacific

* China reported seven new cases on the mainland on May 12, versus one a day earlier, while Jilin city in the country's northeast has warned of a huge risk of COVID-19 spreading further.

* Lending by Japan's major banks rose in April at the fastest pace since the global financial crisis in 2009.

* India would provide 20 trillion rupees ($266 billion) in fiscal and monetary measures.

* New Zealand's central bank doubled the amount of bonds it will buy as part of its quantitative easing programme and flagged a possible shift to negative interest rates.

Middle East & Africa

* Saudi Arabia will enforce a countrywide 24-hour curfew during the five-day Muslim Eid al-Fitr holiday later this month.

Headline Roundup

Asia Stocks, Futures Trade Mixed; Bonds Climb

The risk-off sentiment that's crept back into global markets lingered on Wednesday as Asian stocks traded mixed and European equity futures retreated following warnings on the fragility of the economic recovery. Treasuries held on to gains.

S&P 500 futures were steady after the benchmark U.S. equities gauge closed down about 2% on downbeat comments from regional Federal Reserve chiefs and as Anthony Fauci, the nation's top infectious disease official, said states reopening too quickly could set back the recovery process. Losses in Asia were more modest than in the Wall Street session, as shares in Tokyo and Hong Kong fluctuated, while they fell in Sydney and were little changed in Shanghai. The New Zealand dollar fell after the country's central bank boosted its asset purchase program. The yen retained its overnight advance.

Equity markets are coming under renewed pressure as investors debate whether the rally from March lows has gone too far. Veteran investor Stan Druckenmiller said the prospect of a V-shaped recovery in the U.S. is a "fantasy" and the risk-reward calculation for stocks is the worst he's seen in his career. Earnings remain in focus with China tech giant Tencent Holdings Ltd. due later Wednesday.

"Markets' positive take on the recovery, after unprecedented fiscal and monetary stimulus, will be put to the test," Alexander Kraemer, head of cross-asset strategy at Commerzbank AG, wrote in a note. "Market participants await confirmation that the economy will indeed start to return to normalcy" in the second half of the year.

The Fed could curtail Wall Street banks' ability to pay dividends by cranking up the amount of capital they need to maintain due to the coronavirus crisis, Governor Randal Quarles said Tuesday. Federal Reserve Bank of St. Louis President James Bullard warned of the risk of a depression if shutdowns persist, in a video speech the same day.

Minneapolis Fed President Neel Kashkari raised the prospect of a "gradual, muted recovery" from the outbreak, while Dallas Fed President Robert Kaplan said the economy will need more fiscal stimulus if the jobless rate continues to rise.

Elsewhere, oil retreated from the highest level since early April. Gold was steady.

These are some of the main moves in markets:

Stocks

Futures on the S&P 500 were little-changed as of 12:45 p.m. in Tokyo. The gauge decreased 2.1%.
Japan's Topix index fell 0.1%.
Hong Kong's Hang Seng was flat.
Shanghai Composite declined 0.2%.
Australia's S&P/ASX 200 Index slipped 0.4%.

Euro Stoxx 50 futures fell 1.6%.
SGX Nifty 50 futures rose 3.4%.

Currencies

The yen was little changed at 107.22 per dollar after rising 0.5%.
The offshore yuan held at 7.1014 per dollar.
The euro bought $1.0850, little changed.
The New Zealand dollar retreated 1% to 60.16 U.S. cents.

Bonds

The yield on 10-year Treasuries fell slightly to 0.65%.
Australia's 10-year yield fell two basis points to 0.94%.

Commodities

West Texas Intermediate crude slipped 0.7% to $25.59 a barrel.
Gold was little changed at $1,703 an ounce.

House Democrats Unveil $3 Trillion Aid Bill With Cash for States

House Democrats proposed a $3 trillion virus relief bill Tuesday, combining aid to state and local governments with direct cash payments, expanded unemployment insurance and food stamp spending as well as a list of progressive priorities like funds for voting by mail and the troubled U.S. Postal Service.

While there is little chance of the aid package gaining Senate approval and President Donald Trump's signature as written, passage in the Democratic-led House would give Speaker Nancy Pelosi a marker to set down at the same time both parties are positioning themselves for congressional elections less than six months away.

It would also be the opening bid in negotiations with the Trump administration and Senate Republicans.

"Not acting is the most expensive course," Pelosi said at the Capitol. "We face the biggest catastrophe in our nation's history."

The bill is a follow-up to the $3 trillion Congress has already spent on four bills in response to the crisis caused by the coronavirus pandemic, which has ground the world's biggest economy to a halt.

Republicans aren't the only hurdle for Pelosi. Majority Leader Steny Hoyer announced plans to have the House vote on the legislation Friday, but members of the party's liberal wing want to delay that because the bill may not go far enough to address their priorities.

Representatives Pramila Jayapal of Washington and Mark Pocan of Wisconsin, the leaders of the Congressional Progressive Caucus, asked Pelosi in a letter Tuesday for a meeting about "any amendments that might be needed to ensure that it truly reflects the priorities and the work of the entire caucus."

A rebellion by progressive Democrats could seriously hamper attempts to get it through the House in the face of united Republican opposition. House GOP leader Kevin McCarthy condemned the bill, which was written without Republican input.

"A record number of Americans are out of work. Yet while Americans are searching for answers, House Democrats are releasing a liberal wish list that has no chance of becoming

law," McCarthy said.

Read More: Fed Officials Warn of Risk of Business Failures on 'Grand Scale'

Even if the bill passes the House, it may take until June or later before any new deal is struck. No formal negotiations have taken place since the last relief bill was passed, though Trump chief economic adviser Larry Kudlow has said he's talking with lawmakers of both parties on priorities.

Trump said last week he's in "no rush" to get another aid package, but last week's jobs report that showed employers cut 20.5 million jobs in April, and statements from the president's economic advisers that the unemployment rate will hit 20% or more, are certain to add urgency to talks.

Senate Majority Leader Mitch McConnell on Tuesday dismissed the bill as a "big laundry list of pet priorities" and indicated the GOP would ignore the Democratic proposal for now.

"What Nancy Pelosi is proposing will never pass the Senate," Wyoming's John Barrasso, the third-ranking Republican in the chamber, told reporters.

U.K. Begins 'Baby Steps' in Its Long Journey Out of Lockdown

The U.K. will begin taking what Prime Minister Boris Johnson has called "baby steps" toward reopening its economy from coronavirus lockdown Wednesday. But behind the messages about what people can now do, all the signs are that the government is digging in for the long haul.

People in England will be able to spend unlimited time outdoors, including meeting one person they don't live with. And people who can't work from home are being encouraged to go to their jobs. In one significant regulatory shift, the real estate market has been reopened, with house moves once again permitted, and real estate agents allowed to open their offices and show buyers round homes.

But there will be signs that things are very far from normal: Facemasks are now encouraged in shops and on public transport. And announcements from the government Tuesday showed ministers now expect any return to normality to take months.

Chancellor of the Exchequer Rishi Sunak said the government's furlough program, paying the wages of people whose employers have temporarily shut, will now run until at least October. That could add an extra 35 billion pounds ($43 billion) to its cost, bringing the total to as much as 84 billion pounds, according to Bloomberg Economics.

His announcement came the day before the U.K. is due to announce growth figures for the first quarter that are expected to show the economy shrank 2.6% in first three months of the year and a record 7.9% in March alone. The Chancellor told the BBC on Tuesday that he knew people were already suffering.

Daily Coronavirus Briefing From The U.K. Government
Rishi SunakPhotographer: Julian Simmonds/The Daily Telegraph/Bloomberg
"This is not something that we're going to wait to see -- it's already happening," Sunak said. "There are already businesses that are shutting. There are already people who have lost their jobs. That's heartbreaking to me, and that's why I'm working night and day to limit the amount of job losses."

The Telegraph newspaper reported a leaked Treasury assessment about the cost of the crisis to the government. The "base case" saw the deficit, forecast at 55 billion pounds before the pandemic, rise to 337 billion pounds. The "worst case" scenario saw it hit 516 billion pounds.

Some ministers in government are trying to signal a swifter return to normality. Jacob Rees-Mogg, Leader of the House of Commons, said Tuesday he wanted to end the current virtual sittings, where most members of Parliament join via video link, “as quickly as possible” in June. He said Parliament “must set an example of how we move back gradually to a fully-functioning country again.” However, asking MPs to return to a cramped chamber and to vote by crowding through lobbies seems incompatible with the current advice of staying two metres away from other people.

In a sign of just how difficult a return to normal life will be until scientists find a way to deal with coronavirus, Transport Secretary Grant Shapps said that even if London’s transport system ran at full service levels, social distancing requirements would mean its capacity would only be 15% of what it usually is.

The extent of the health crisis in the country was exposed by figures from the Office for National Statistics showing that in the six weeks through May 1, there were 46,494 more deaths than the five-year average.

To economists, Sunak’s move was a clear signal that the government expects the crisis to go on for months.

“The hope of a one-and-done, short sharp shock appears to have been dispelled by the extension,” said Peter Dixon, an economist at Commerzbank AG. “It’s a recognition the recovery will be longer than has been anticipated. If the rebound is delayed then 2020 numbers look an awful sight worse than they already do.”

European investment plunge raises fears for future growth

Investment in the eurozone has plummeted in recent weeks, creating a drag on the continent’s economy that economists warn is likely to last even after companies and workers emerge from coronavirus lockdowns.

Across the region, capital expenditure has contracted sharply, according to data for countries that have published detailed gross domestic product data, while borrowing to invest has dropped across the eurozone, reflecting businesses’ rising cash needs and plummeting output.

“Investment is crucial, it indicates what future growth is likely to be,” said Yael Selfin, chief UK economist at KPMG. “If you are not investing you are not going to grow faster later.”

The proportion of eurozone banks reporting demand from businesses to take out loans for long-term investment fell to a balance of minus 15 per cent in the first quarter, from 0 in the previous three months, statistics from the European Central Bank show.

In contrast, demand for working capital surged to a net balance of 26 per cent, from 0 in the previous quarter, as businesses sought cash to cover ongoing payment such as rents and wages.

Andrew Kenningham, chief Europe economist at Capital Economics, forecast eurozone business investment would fall 24 per cent year on year over 2020, contributing to an expected 12 per cent contraction in GDP.

“Many businesses are cash-strapped and will be reluctant to use scarce liquid resources to fund investment,” he said. “On top of the normal recession challenges, companies will be struggling with deferred tax payments and/or loan repayments over the next year or two.”

In the first quarter, France reported its largest contraction in gross fixed capital formation, a measure of private and public investment, on record; Spain's contraction was also near-record levels, according to preliminary data from their national statistics offices.

Comparable data for Germany, Italy and the UK is set to be published in the coming days and are widely expected to show a similar trend. Claus Vistesen, eurozone economist at Pantheon Macroeconomics, said the fall in investment, along with a drop in consumer spending, were "likely to be the main drivers" of Germany's expected economic contraction. Economists polled by Reuters expect Germany to record a 2.2 per cent quarter on quarter fall in GDP when the data is published this week.

Fauci, Other Top Health Officials Emphasize Testing Before Easing Lockdowns

Top Trump administration health officials emphasized the need for caution and widespread testing while easing coronavirus lockdowns, warning in a Senate hearing that serious risks would continue into the fall as schools looked to reopen.

"If certain areas prematurely open up, my concern is we might see spikes that turn into outbreaks," Anthony Fauci, director of the National Institute of Allergy and Infectious Diseases, told senators on Tuesday. "The consequences could be serious. Even in states that reopen with a deliberate pace...there is no doubt that when you pull back on mitigation, you will see some cases reappear."

The testimony from Dr. Fauci and others on how to safely reopen the economy came as most states began tentative reopenings after weeks of closure, with President Trump supporting the moves in a bid to ease the pandemic's economic impact. The U.S. has had more than 1.35 million confirmed coronavirus cases, and more than 81,000 people have died.

"The number is likely higher," Dr. Fauci said because, he told senators, at the peak of the outbreak in hot spots like New York, many people died at home and never made it to a hospital to be confirmed positive for the virus.

Governors are seeking to increase testing capacity and build contact-tracing teams as they move toward easing their lockdowns—but states are also encountering friction with President Trump over how and when to ease restrictions.

Mr. Trump on Tuesday backed Elon Musk's decision to resume production at Tesla Inc.'s California plant, siding with the electric-car maker over the local government in a high-profile standoff on reopening the state.

In a tweet Tuesday, Mr. Trump wrote: "California should let Tesla & @elonmusk open the plant, NOW. It can be done Fast & Safely!"

White House press secretary Kayleigh McEnany said Tuesday afternoon that the president's concerns over the lockdowns extended beyond just the economic impact, warning of the mental and physical harm to people of continuing to keep the country shut down.

"We do want to reopen this country because there are consequences that run the other way when we stay closed down as a country," she said.

But Mr. Trump's top health officials told senators—some who attended the hearing while others appeared virtually—that reopening too quickly could also be dangerous.

When asked Tuesday about the prospects of schools opening in the fall, Dr. Fauci urged caution. Expecting medicines and vaccines to make returning safer by the start of the school year "would be a bit of a bridge too far," he said.

Sen. Rand Paul (R., Ky.) said such warnings from Dr. Fauci and others may be too strong, saying they should “be humble about things we don’t know.”

Dr. Fauci said he was in fact “humble about making broad predictions,” but added that some children diagnosed with Covid-19, the respiratory disease caused by the coronavirus, also are afflicted with a “strange inflammatory syndrome.”

Model Portfolio

Obviously, the big news of the day was adding to the 30yr position, and I got extremely lucky with the timing of that. It was a point higher within an hour or so if I recall correctly. But, let's be clear, that was luck.

If anyone tells you that luck has no part to play in their success as a trader they are either lying or delusional.

Either way, not to be trusted.

Other than the addition of the Long Bonds another point to note was the selloff in equities we saw into the close.

Looked around for a catalyst and struggling to find one. At a push, we could say that the MOC imbalance was parked at $500mln worth of Spooz to sell on the close and given that it seemed to be a move localised to equities, maybe it was simply a case of more sellers than buyers.

Whatever the reason, I'll take it!

Had a few questions on the June WTI short, simply put, its a trade for a weaker expiry, so it's very unlikely I'll be getting out before the final two or two of the contract. And certainly not before the option expiry on the 14th.

As always, check @PiQViP for any updates throughout the day.

Entry					Exit		
Date	Product	B/S	Size (futs)	Price	Date	Price	PnL
24/01/2020	CL	S	2	53.96	31/01/2020	51.25	$5,420
24/01/2020	GCJ0	B	2	1571.00	19/02/2020	1612.50	$8,300
28/01/2020	GCJ0	B	2	1573.00	24/03/2020	1637.50	$12,900
28/01/2020	ZNH0	B	2	130 '27	27/02/2020	133 '12	$5,063
29/01/2020	CL	S	2	54.30	29/01/2020	53.20	$2,200
31/01/2020	CL	S	2	52.38	03/02/2020	51.70	$1,360
31/01/2020	CL	S	2	52.25	03/02/2020	51.70	$1,100
06/02/2020	GBPUSD	B	6	1.2995	16/03/2020	1.2234	-$28,538
17/02/2020	FGBLH0	S	1	174.45	03/03/2020	177.20	-$3,053
21/02/2020	RTYH0	S	2	1688.70	03/03/2020	1487.00	$20,170
21/02/2020	EURUSD	S	2	1.08170	16/03/2020	1.11355	-$7,963
27/02/2020	EURGBP	S	2	0.84955	16/03/2020	0.89155	-$18,542
27/02/2020	ZNM0	B	2	133 '7	03/04/2020	139.13	$11,842
28/02/2020	CLJ0	B	1	45.98	05/03/2020	45.98	$0
28/02/2020	CLJ0	B	1	45.98	03/03/2020	48.15	$2,200
03/03/2020	RTYH0	S	2	1521.00	12/03/2020	1150.00	$37,100
03/03/2020	FGBLM0	S	1	174.39	03/04/2020	172.14	$2,490
03/03/2020	RTYH0	S	2	1541.00	20/03/2020	1086.00	$45,500
04/03/2020	EURGBP	S	2	0.87295	16/03/2020	0.91021	-$11,388
05/03/2020	ESH0	S	2	3083.00	06/03/2020	2952.50	$13,050
10/03/2020	RTYH0	S	2	1350.00	20/03/2020	1086.00	$26,400
13/03/2020	GCJ0	B	2	1582.60	31/03/2020	1604.40	$4,360
16/03/2020	EURGBP	S	4	0.9158	OPEN	0.8844	$19,301
16/03/2020	GBPUSD	B	6	1.2259	OPEN	1.2272	$488
16/03/2020	EURUSD	S	2	1.1228	OPEN	1.0855	$9,300
18/03/2020	CLK0	B	3	21.75	02/04/2020	26.75	$15,000
19/03/2020	GCJ0	B	2	1476.40	31/03/2020	1604.40	$25,600
20/03/2020	RTYM0	S	4	1077.70	OPEN	1262.50	-$36,960
26/03/2020	RTYM0	S	2	1074.00	OPEN	1262.50	-$18,850
31/03/2020	GCM0	B	2	1618.50	15/04/2020	1736.50	$23,600
18/03/2020	CLK0	B	2	21.75	08/04/2020	24.30	$5,100
08/04/2020	RTYM0	S	2	1175.60	OPEN	1262.50	-$8,690
15/04/2020	GCM0	B	2	1618.50	OPEN	1707.60	$17,820
16/04/2020	6AM0	S	2	0.6305	OPEN	0.6473	-$3,360
24/04/2020	6CM0	S	2	0.7090	OPEN	0.7115	-$490
29/04/2020	ZBM0	B	2	182 '10	OPEN	180 8/32	-$4,125
30/04/2020	6CM0	S	2	0.7193	OPEN	0.7115	$1,570
01/05/2020	CLM0	S	2	19.15	OPEN	25.46	-$12,620
05/05/2020	KRW	B	2	1219.75	OPEN	1225.36	$1,377
06/05/2020	CLM0	S	2	25.28	OPEN	25.46	-$360
12/05/2020	ZBM0	B	2	179 '09	OPEN	180 8/32	$1,938
							$165,609

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Updated at 13/05/2020 07:10

Looking Ahead

The highlight of today is Powell's speech, so expect that to disappoint!

Besides Powell, and UK GDP which we've already had, highlights of today are the EIA numbers which will be keenly watched after last nights build of 7.6mln vs the 4.1mln expected while Cushing drew down by over 2mln, a mixed bag.

*Worth nothing last night CME raised WTI crude oil NYMEX maintenance margins by 20% to $12000/contract from $10000/contract. Making it more expensive to play as we near expiry

which may weigh on price a touch.

Have a great day, keep it tight.

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Daily Economic Release

CDT	BST	CO	Wednesday, 13th May 2020	Exp.	Prev.	Low	High
18:01	00:01	UK	BRC Retail Sales YY (Apr)		-3.5%		
18:50	00:50	JN	Bank Lending YY (Apr)		2.0%		
18:50	00:50	JN	Current Account NSA JPY (Mar)	2,210.6B	3,168.8B	1,920.0B	3,044.1B
18:50	00:50	JN	Current Account, Goods (Mar)		1,366.553B		
18:50	00:50	JN	Current Account Balance SA (Mar)		2,378,100M		
18:50	00:50	JN	Trade Balance Customs Basis SA (Mar)		817,300M		
21:00	**03:00**	**NZ**	**Cash Rate (13 May)**	**0.25%**	**0.25%**	**0.25%**	**0.25%**
00:00	06:00	JN	Economy Watchers Poll SA (Apr)		14.2		
01:00	07:00	UK	Business Investment QQ Preliminary (Q1)	-2.5%	-0.5%	-3.6%	-2.0%
01:00	07:00	UK	Business Investment YY Preliminary (Q1)		1.8%		
01:00	**07:00**	**UK**	**GDP Estimate MM (Mar)**	**-8.0%**	**-0.1%**	**-17.4%**	**-5.0%**
01:00	**07:00**	**UK**	**GDP Estimate YY (Mar)**	**-7.2%**	**0.3%**	**-14.1%**	**-2.8%**
01:00	07:00	UK	GDP Estimate 3M/3M (Mar)	-2.6%	0.1%	-6.0%	-1.6%
01:00	**07:00**	**UK**	**GDP Preliminary QQ (Q1)**	**-2.5%**	**0.0%**	**-5.7%**	**-0.2%**
01:00	**07:00**	**UK**	**GDP Preliminary YY (Q1)**	**-2.1%**	**1.1%**	**-5.4%**	**-0.6%**
01:00	07:00	UK	Services MM (Mar)	-8.0%	0.0%	-20.0%	-2.8%
01:00	07:00	UK	Services YY (Mar)	-6.1%	1.1%	-8.2%	-4.1%
01:00	07:00	UK	Industrial Output MM (Mar)	-5.6%	0.1%	-15.0%	0.0%
01:00	07:00	UK	Industrial Output YY (Mar)	-9.3%	-2.8%	-18.1%	-6.3%
01:00	07:00	UK	Manufacturing Output MM (Mar)	-6.0%	0.5%	-20.0%	-1.8%
01:00	07:00	UK	Manufacturing Output YY (Mar)	-10.4%	-3.9%	-23.9%	-7.7%
01:00	07:00	UK	Construction Operating Volume MM (Mar)	-7.1%	-1.7%	-23.0%	-4.0%
01:00	07:00	UK	Construction Operating Volume YY (Mar)	-8.2%	-2.7%	-24.0%	-5.2%
01:00	07:00	UK	Goods Trade Balance GBP (Mar)	-10.000B	-11.487B	-12.500B	-6.000B
01:00	07:00	UK	Goods Trade Balance Non-EU (Mar)	-4.000B	-5.573B	-5.612B	-3.000B
02:30	08:30	SW	CPI MM (Apr)	0.0%	-0.2%	-0.2%	0.2%
02:30	08:30	SW	CPI YY (Apr)	0.0%	0.6%	-0.3%	0.3%
02:30	**08:30**	**SW**	**CPIF MM (Apr)**	**0.0%**	**-0.2%**	**-0.2%**	**0.2%**
02:30	**08:30**	**SW**	**CPIF YY (Apr)**	**0.0%**	**0.6%**	**-0.3%**	**0.3%**
04:00	10:00	EU	Industrial Production MM (Mar)	-12.1%	-0.1%	-16.0%	-4.9%
04:00	10:00	EU	Industrial Production YY (Mar)	-12.4%	-1.9%	-17.0%	-6.1%
06:00	12:00	US	MBA Mortgage Applications (8 May)		0.1%		
07:30	13:30	US	PPI Final Demand YY (Apr)	-0.2%	0.7%	-0.8%	0.1%
07:30	13:30	US	PPI Final Demand MM (Apr)	-0.5%	-0.2%	-1.3%	-0.1%
07:30	13:30	US	PPI ex-Food & Energy YY (Apr)	0.9%	1.4%	0.6%	1.2%
07:30	13:30	US	PPI ex-Food & Energy MM (Apr)	0.0%	0.2%	-1.0%	0.7%
07:30	13:30	US	PPI ex-Food, Energy & Trade YY (Apr)		1.0%		
07:30	13:30	US	PPI ex-Food, Energy & Trade MM (Apr)		-0.2%		
09:30	15:30	US	EIA Weekly Crude Production		11.9M		
09:30	15:30	US	EIA Weekly Crude Production Change, bbl		-200k		
09:30	15:30	US	EIA Weekly Crude Production Change, %		-1.65%		
09:30	**15:30**	**US**	**EIA Weekly Crude Stocks (8 May)**	**4.295M**	**4.590M**	**3.000M**	**7.500M**
09:30	15:30	US	EIA Weekly Distilate Stocks (8 May)	3.150M	9.518M	1.000M	8.475M
09:30	15:30	US	EIA Weekly Gasoline Stocks (8 May)	-2.329M	-3.158M	-3.000M	-0.800M
09:30	15:30	US	EIA Weekly Refining Utilisation (8 May)	0.7%	0.9%	0.4%	2.0%
09:30	15:30	US	EIA Weekly Crude Cushing (8 May)		2.068M		
09:30	15:30	US	EIA Weekly Gasoline O/P (8 May)		-0.030M		
17:45	23:45	NZ	Ext Migration & Visitors (Mar)		-10.8%		
17:45	23:45	NZ	Estimated Migrant Arrivals (Mar)		8,250		

N/A	N/A	EU	European Commission presenting the 'EU Enlargement Package'
N/A	**N/A**	**WD**	**OPEC Monthly Oil Market Report**
			Speakers
06:00	**12:00**	**EU**	**ECB's Lane (Dove) partaking in a 'Room for Discussion' interview**
08:00	**14:00**	**US**	**Fed's Chair Powell (Voter, Neutral) speaking on Current Economic Issues at the Peterson Institute.** *Event is scheduled for 30-minutes*
10:00	**16:00**	**EU**	**ECB's de Guindos (Dovish) partaking in a ESADE gathering**
11:00	**17:00**	**EU**	**ECB's Lane (Dove) speaking at a FT Digital Forum**
			Supply
03:50	09:50	EU	ECB's 7-Day USD op
03:50	09:50	EU	ECB's 84-Day USD op
04:00	**10:00**	**IT**	**EUR 7.5-9bln 0.60% 2023, 0.85% 2027, 3.35% 2035 and 3.10% 2040 BTP Auction**
04:00	10:00	UK	BoE's 7-Day USD op
04:00	10:00	UK	BoE's 84-Day USD op
04:00	10:00	SZ	SNB's 7-Day USD op
04:00	10:00	SZ	SNB's 84-Day USD op
04:00	**10:00**	**UK**	**GBP 600mln 0.125% 2048 I/L Gilt Auction**
04:15	10:15	UK	BoE Liquidity Facility in Euros (LIFE)
04:30	**10:30**	**GE**	**EUR 1bln 1.25% 2048 Bund Auction**
05:00	11:00	UK	BoE Covid Corporate Financing Facility (CCFF)
12:00	**18:00**	**US**	**USD 22bln 30yr Bond Auction**
			Earnings
		EU	**Deutsche Wohnen, Commerzbank**, AP Moeller, **ABN AMRO**, TUI, Terna
		US	**Cisco Systems Inc**

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