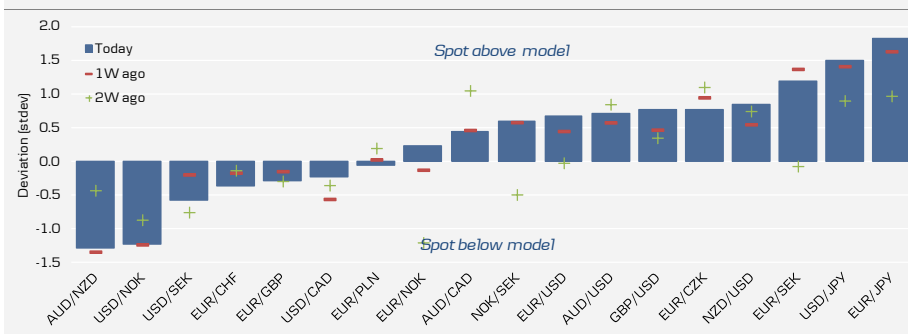


FX Market Update

EUR/CHF option pricing looks attractive

Short-term model and spot misalignments



Source: Bloomberg, Danske Bank Markets

What stands out

According to our short-term models both EUR/JPY and USD/JPY are currently trading more than 1.5 standard deviations above model estimates and technical indicators such as RSI indices also suggest the JPY currently looks oversold. However, the JPY sell-off is beginning to see support from relative rates and is therefore gradually looking more sustainable according to our short-term models. We expect the Bank of Japan (BoJ) to ease monetary policy considerably in 2013 and the JPY to weaken significantly against both the USD and EUR. The Liberal Democratic Party (LDP) won a landslide victory at the recently held general election and it now has a two-thirds majority in the lower house. This implies that political pressure on the BoJ will continue and, even though our models are unable to explain the current misalignments, we would not go against the trend at this time.

Option volatility trades at historically low levels and evaluated by historical spreads between option volatilities and realised volatilities option volatility in general is looking cheap. This is also reflected in our 'Range trading monitor' (see page 15), which currently cannot identify any attractive range-trading opportunities. However, one exception is found in 6-12M EUR/CHF implied volatility, which currently looks slightly expensive relative to historical volatility. Moreover, EUR/CHF risk reversal has increased markedly and when adjusted for volatility 1M risk reversal is currently trading nearly 4 standard deviations above its historical mean (see page 16). Hence, option market positioning indicates that the risk of a CHF sell-off has increased after two Swiss banks, UBS and Credit Suisse, announced that they are considering charging investors negative deposit rates on their CHF holdings.

Trade idea: enter 6M EUR/CHF bullish seagull at zero cost

In *FX Top 10 trades for 2013* (5 December) we recommended entering a long EUR/CHF spot position, as reduced demand for EUR hedge and increased costs of long CHF positions could cause EUR/CHF to move higher temporarily. Given the current market conditions with relative high volatility and an extreme skew, we also see value in positioning for a move higher in EURCHF via options. We suggest entering a 6M bullish seagull with expiry at 19 June 2013 which is the before the June meeting in SNB. The strategy retains a short volatility position and can be entered at zero cost by selling 6M 1.20 put, buying 6M 1.21 call and selling 6M 1.2550 call (indicative, spot ref.:1.2090). However, we note that the digital risk in EUR/CHF is high, as spot could 'jump' if the 1.20 minimum target is abandoned or broken.

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FX Market Update provides a quantitative overview of the currency market.

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Bloomberg: DRFX <GO>

Spot overview

Spot overview										
	Spot	1M change	Trend			Bollinger-bands -/+ 2 std dev	20-day MA	50-day MA	1M Low-High	RSI
			Direction	Strength	Sup./Res.					
EUR/USD	1.3282	3.7%	→			1.2627 / 1.3263	1.3038	1.2946	1.2736 / 1.3294	74.6 (Overbought)
EUR/JPY	112.18	7.6%	↑		109.24		107.90	104.95	103.68 / 112.31	82.7 (Overbought)
EUR/GBP	0.8152	1.3%	→			0.7985 / 0.8167	0.8102	0.8072	0.8006 / 0.8158	64.4
EUR/CHF	1.2094	0.4%	↑		1.2029		1.2075	1.2074	1.203 / 1.2169	54.6
EUR/SEK	8.69	0.8%	→			8.5307 / 8.7593	8.6602	8.6343	8.5593 / 8.8062	53.4
EUR/NOK	7.39	0.6%	→			7.2967 / 7.4026	7.3579	7.3678	7.3123 / 7.4194	57.4
EUR/AUD	1.2637	2.8%	→			1.2177 / 1.2593	1.2436	1.2440	1.2259 / 1.2648	69.2
EUR/CAD	1.3088	2.6%	→			1.2661 / 1.3053	1.2906	1.2849	1.2715 / 1.31	67.8
EUR/NZD	1.5862	1.6%	→			1.5434 / 1.5929	1.5691	1.5726	1.5447 / 1.5928	62.3
EUR/PLN	4.08	-1.2%	→			4.0584 / 4.1816	4.1032	4.1194	4.064 / 4.139	41.1
EUR/RUB	40.74	1.2%	→			39.75 / 40.72	40.22	40.32	39.68 / 40.85	62
EUR/TRY	2.36	2.7%	→			2.277 / 2.359	2.3293	2.3215	2.289 / 2.3666	71.7 (Overbought)
EUR/CZK	25.26	-0.3%	→			25.10 / 25.53	25.2566	25.1939	25.1 / 25.51	52.2
USD/JPY	84.46	3.8%	↑		83.1670		82.76	81.06	81.14 / 84.58	78.6 (Overbought)
GBP/USD	1.6294	2.4%	→			1.579 / 1.626	1.6092	1.6038	1.5883 / 1.6307	72.6 (Overbought)
USD/CHF	0.9105	-3.2%	→			0.912 / 0.953	0.9266	0.9327	0.9098 / 0.9458	24.8 (Oversold)
USD/SEK	6.54	-2.8%	→			6.552 / 6.806	6.6426	6.6700	6.532 / 6.801	35.5
USD/NOK	5.57	-3.1%	→			5.565 / 5.792	5.6438	5.6914	5.553 / 5.759	30.7
AUD/USD	1.0511	1.0%	→			1.033 / 1.058	1.0484	1.0407	1.0338 / 1.0586	56
USD/CAD	0.9853	-1.1%	→			0.981 / 1.005	0.9899	0.9926	0.9825 / 0.9992	38.9
NZD/USD	0.8373	2.1%	→			0.803 / 0.848	0.8309	0.8233	0.8112 / 0.8477	58.5
USD/RUB	30.67	-2.5%	→			30.37 / 31.83	30.87	31.15	30.5 / 31.47	39.4
NOK/SEK	1.1751	0.2%	↑		1.1749		1.1770	1.1719	1.1673 / 1.1911	49
AUD/NZD	1.2553	-1.1%	→			1.2463 / 1.2860	1.2617	1.2640	1.2455 / 1.2751	42.5

Top 10 overbought range-trading currency pairs

	Currency pair	RSI
1	EUR/USD	74.6
2	GBP/USD	72.5
3	EUR/TRY	71.6
4	EUR/AUD	69.2
5	EUR/CAD	67.8
6	EUR/GBP	64.4
7	GBP/CAD	63.3
8	GBP/AUD	62.4
9	EUR/NZD	62.3
10	NZD/USD	58.6

Top 10 oversold range-trading currency pairs

	Currency pair	RSI
1	USD/CHF	24.7
2	USD/PLN	28.5
3	USD/NOK	30.7
4	AUD/CHF	33.0
5	CAD/CHF	33.3
6	AUD/NOK	35.3
7	USD/SEK	35.5
8	GBP/CHF	37.5
9	USD/CAD	38.9
10	AUD/SEK	39.0

Note: Trend direction and strength computed using 'DMI' analysis (range-trade defined as ADX line <25), trend support/resistance computed using 'Trender' algorithm, Bollinger bands computed on 30-period window, RSI computed on 14-period window (oversold defined as <30, overbought defined as >70)

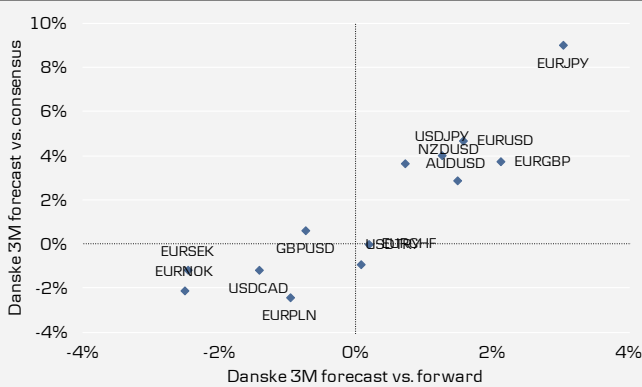
Source: Bloomberg

Forecasts and market pricing

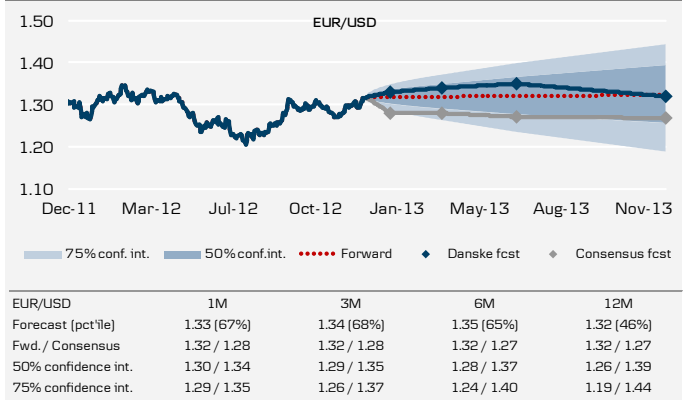
Danske Bank Markets FX forecasts

	Spot	Forecast				Forecast vs forward outright, %			
		+1m	+3m	+6m	+12m	+1m	+3m	+6m	+12m
Exchange rates vs EUR									
USD	1.329	1.33	1.34	1.35	1.32	0.0	0.7	1.4	-1.1
JPY	112.2	112	114	118	116	-0.2	1.5	5.1	3.3
GBP	0.815	0.82	0.83	0.85	0.83	0.5	1.6	4.0	1.2
CHF	1.209	1.21	1.21	1.22	1.21	0.1	0.1	1.0	0.4
Exchange rates vs USD									
CAD	0.99	0.98	0.97	0.96	0.98	-0.6	-1.8	-3.0	-1.5
AUD	1.05	1.06	1.07	1.08	1.04	1.1	2.5	4.1	1.5
NZD	0.84	0.85	0.85	0.86	0.82	1.7	2.1	3.9	0.3

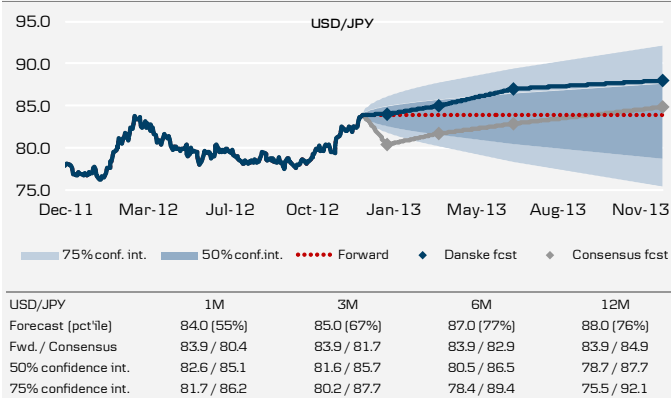
Danske Bank forecasts vs forwards and consensus



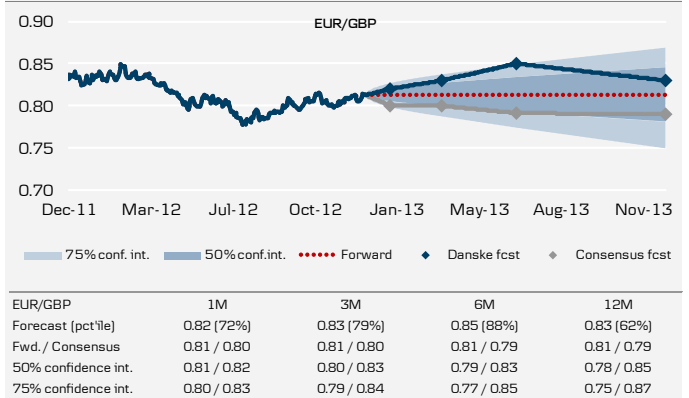
EUR/USD



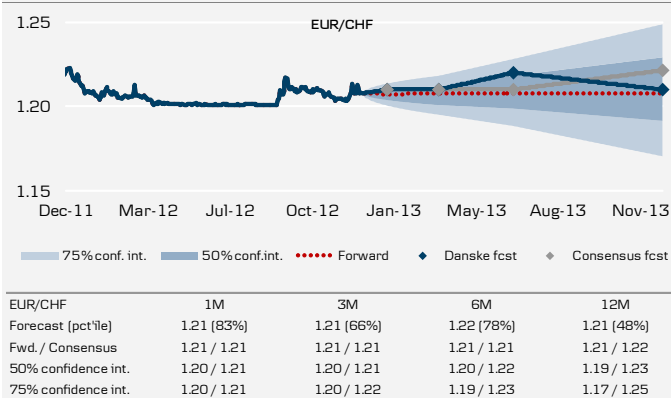
USD/JPY



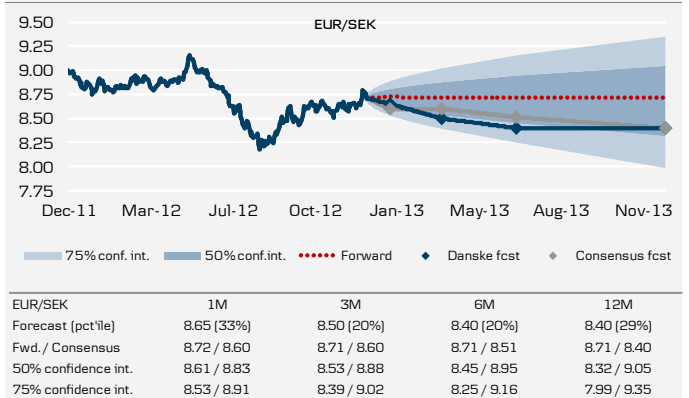
EUR/GBP



EUR/CHF

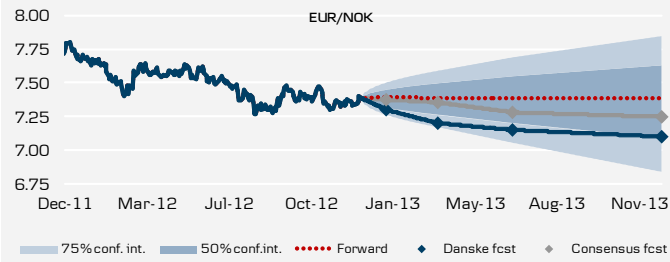


EUR/SEK



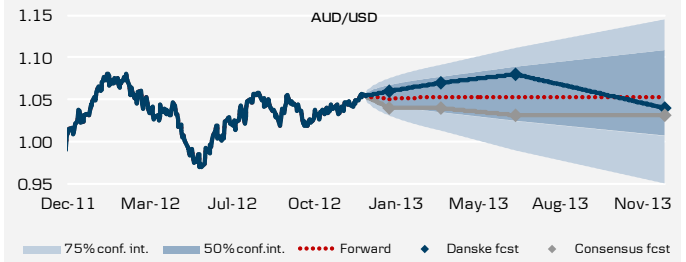
Note: The cone charts show confidence regions derived from option market prices. Source: Bloomberg and Danske Bank Markets calculations

EUR/NOK



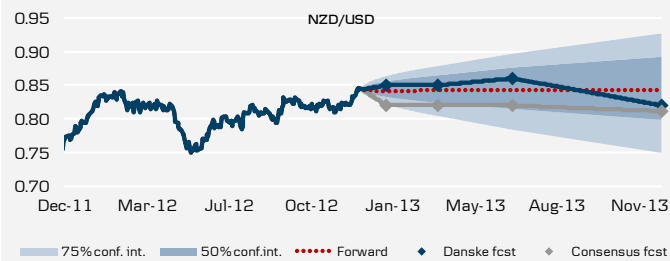
EUR/NOK	1M	3M	6M	12M
Forecast (pct'ile)	7.30 (18%)	7.20 (15%)	7.15 (19%)	7.10 (25%)
Fwd. / Consensus	7.40 / 7.37	7.39 / 7.35	7.39 / 7.28	7.39 / 7.25
50% confidence int.	7.32 / 7.46	7.26 / 7.50	7.20 / 7.55	7.09 / 7.63
75% confidence int.	7.27 / 7.51	7.17 / 7.59	7.06 / 7.69	6.84 / 7.85

AUD/USD



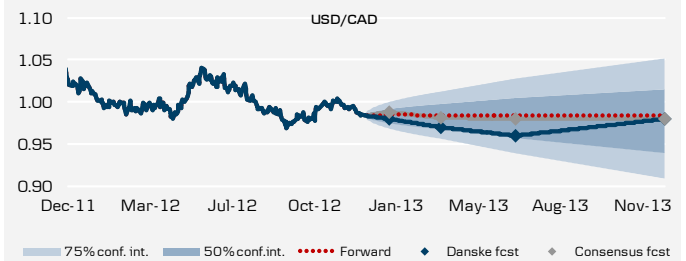
AUD/USD	1M	3M	6M	12M
Forecast (pct'ile)	1.06 (67%)	1.07 (66%)	1.08 (67%)	1.04 (38%)
Fwd. / Consensus	1.05 / 1.04	1.05 / 1.04	1.05 / 1.03	1.05 / 1.03
50% confidence int.	1.04 / 1.06	1.03 / 1.08	1.02 / 1.09	1.01 / 1.11
75% confidence int.	1.03 / 1.07	1.01 / 1.09	0.99 / 1.11	0.95 / 1.15

NZD/USD



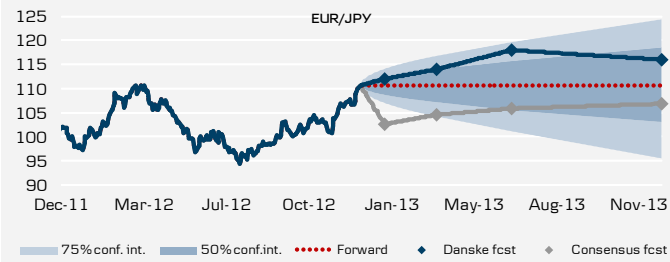
NZD/USD	1M	3M	6M	12M
Forecast (pct'ile)	0.85 (69%)	0.85 (56%)	0.86 (62%)	0.82 (34%)
Fwd. / Consensus	0.84 / 0.82	0.84 / 0.82	0.84 / 0.82	0.84 / 0.81
50% confidence int.	0.83 / 0.85	0.82 / 0.86	0.81 / 0.88	0.80 / 0.89
75% confidence int.	0.82 / 0.86	0.80 / 0.88	0.78 / 0.90	0.75 / 0.93

USD/CAD



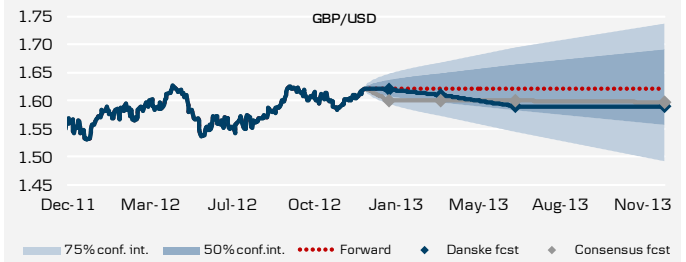
USD/CAD	1M	3M	6M	12M
Forecast (pct'ile)	0.98 (36%)	0.97 (28%)	0.96 (27%)	0.98 (53%)
Fwd. / Consensus	0.98 / 0.99	0.98 / 0.98	0.98 / 0.98	0.98 / 0.98
50% confidence int.	0.98 / 0.99	0.97 / 1.00	0.96 / 1.00	0.94 / 1.01
75% confidence int.	0.97 / 1.00	0.96 / 1.01	0.94 / 1.03	0.91 / 1.05

EUR/JPY



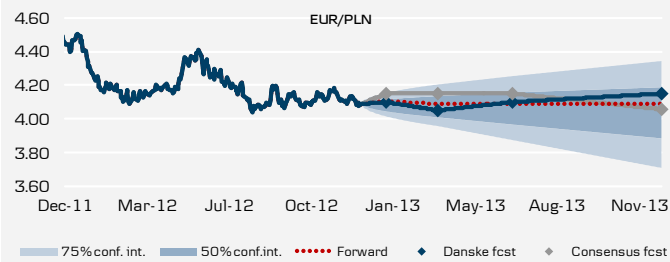
EUR/JPY	1M	3M	6M	12M
Forecast (pct'ile)	112 (68%)	114 (74%)	118 (83%)	116 (67%)
Fwd. / Consensus	111 / 103	111 / 105	111 / 106	111 / 107
50% confidence int.	109 / 113	107 / 114	105 / 116	103 / 119
75% confidence int.	107 / 114	104 / 117	101 / 120	96 / 124

GBP/USD



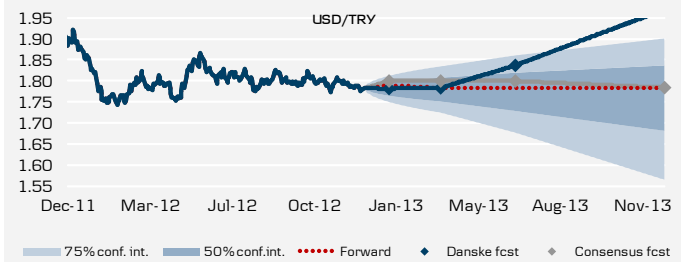
GBP/USD	1M	3M	6M	12M
Forecast (pct'ile)	1.62 (46%)	1.61 (36%)	1.59 (28%)	1.59 (35%)
Fwd. / Consensus	1.62 / 1.60	1.62 / 1.60	1.62 / 1.60	1.62 / 1.60
50% confidence int.	1.61 / 1.64	1.60 / 1.65	1.58 / 1.66	1.56 / 1.69
75% confidence int.	1.60 / 1.65	1.57 / 1.67	1.54 / 1.69	1.49 / 1.74

EUR/PLN



EUR/PLN	1M	3M	6M	12M
Forecast (pct'ile)	4.10 (57%)	4.05 (41%)	4.10 (61%)	4.15 (69%)
Fwd. / Consensus	4.10 / 4.15	4.09 / 4.15	4.09 / 4.15	4.09 / 4.06
50% confidence int.	4.06 / 4.13	4.01 / 4.13	3.97 / 4.16	3.88 / 4.19
75% confidence int.	4.03 / 4.18	3.96 / 4.20	3.88 / 4.25	3.71 / 4.34

USD/TRY

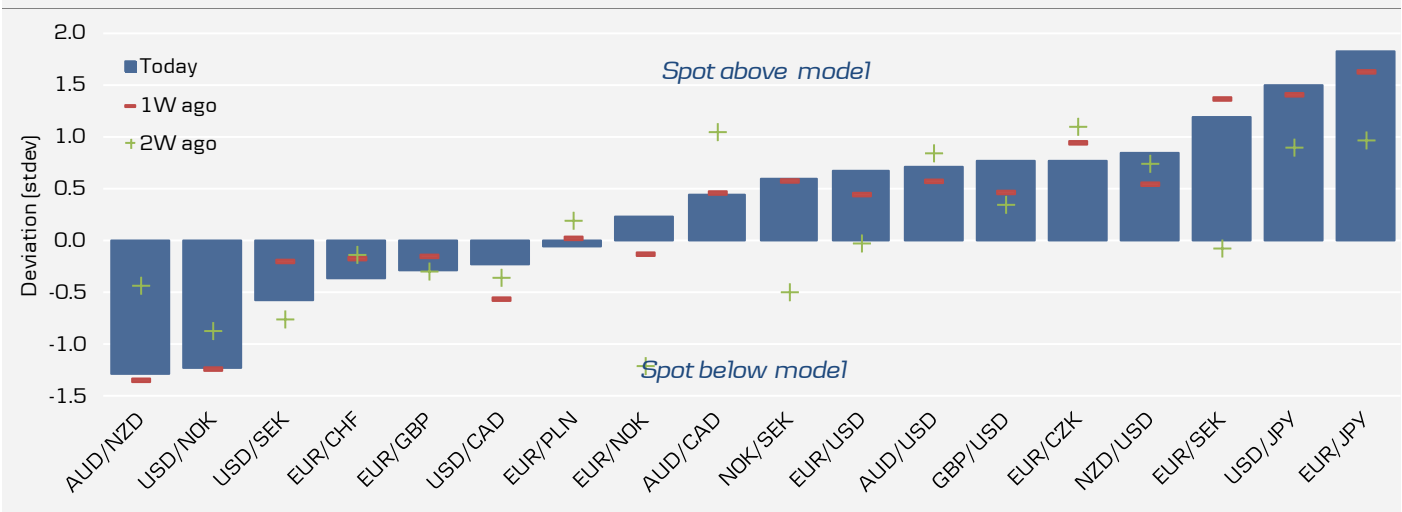


USD/TRY	1M	3M	6M	12M
Forecast (pct'ile)	1.78 (40%)	1.78 (54%)	1.84 (81%)	1.97 (93%)
Fwd. / Consensus	1.79 / 1.80	1.78 / 1.80	1.78 / 1.80	1.78 / 1.78
50% confidence int.	1.77 / 1.80	1.75 / 1.81	1.73 / 1.82	1.68 / 1.84
75% confidence int.	1.76 / 1.82	1.72 / 1.83	1.68 / 1.86	1.57 / 1.90

Note: The cone charts show confidence regions derived from option market prices. Source: Bloomberg, Danske Bank Markets calculations

Short-term financial models

Spot deviations from model estimate



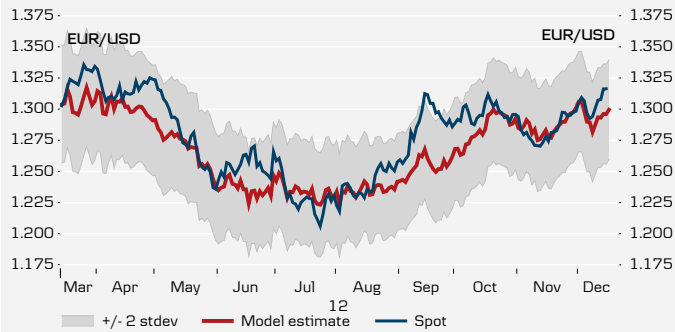
Spot deviations from model estimate

	Spot	Model	Signal	Deviation (%)	Deviation (stdev)
EUR/USD	1.328	1.300		2.2%	0.7
EUR/JPY	112.21	105.44	Overbought	6.4%	1.8
USD/JPY	84.47	81.44	Overbought	3.7%	1.5
EUR/GBP	0.815	0.818		-0.4%	-0.3
EUR/CHF	1.209	1.210		0.0%	-0.4
EUR/SEK	8.677	8.689		-0.1%	1.2
EUR/NOK	7.386	7.399		-0.2%	0.2
AUD/USD	1.051	1.034		1.6%	0.7
USD/CAD	0.986	0.985		0.1%	-0.2
NZD/USD	0.837	0.826		1.4%	0.8
NOK/SEK	1.175	1.179		-0.3%	0.6
EUR/PLN	4.079	4.098		-0.5%	-0.1
EUR/CZK	25.29	25.00		1.1%	0.8
AUD/NZD	1.255	1.266		-0.8%	-1.3
USD/SEK	6.542	6.719		-2.6%	-0.6
USD/NOK	5.567	5.724		-2.7%	-1.2
GBP/USD	1.630	1.603		1.6%	0.8
AUD/CAD	1.036	1.020		1.5%	0.4

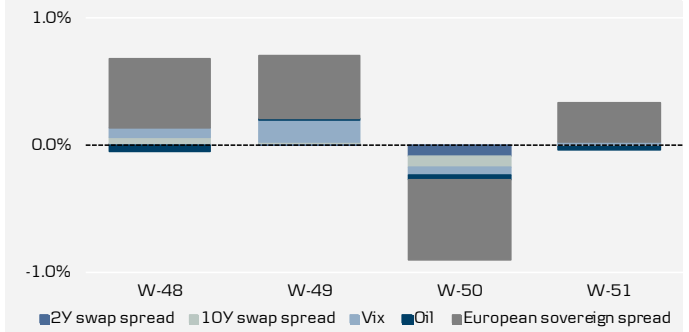
Note: Linear regression models using a 200-day rolling estimation window. 2Y swap spread is included only when spot beta is positive. Short-term financial models are partial models, implying that there is no built-in consistency between, e.g., EUR/NOK, EUR/SEK and NOK/SEK models

Source: Bloomberg, Danske Bank Markets calculations

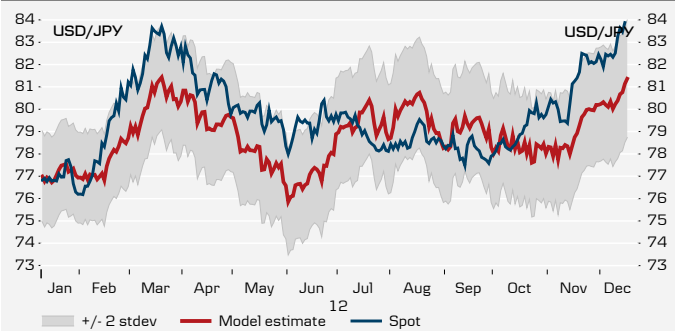
EUR/USD (model estimate: 1.300)



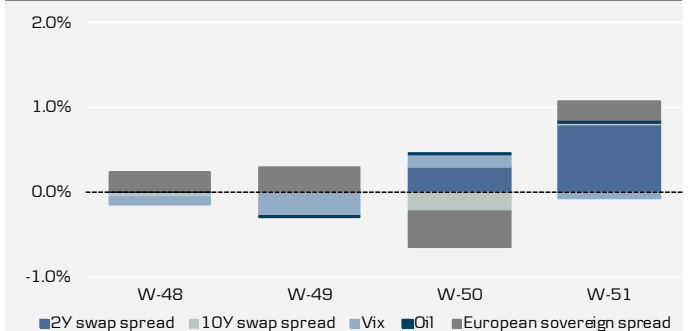
EUR/USD model contributions



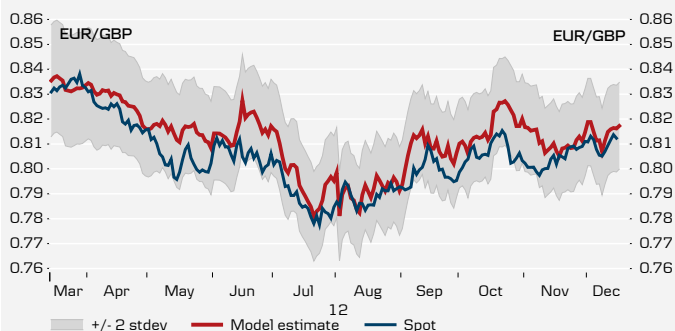
USD/JPY (model estimate: 81.36)



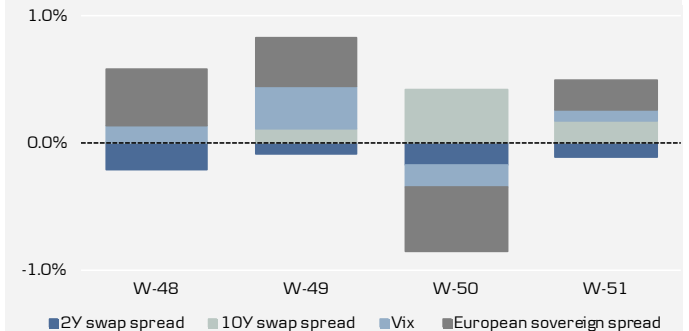
USD/JPY model contributions



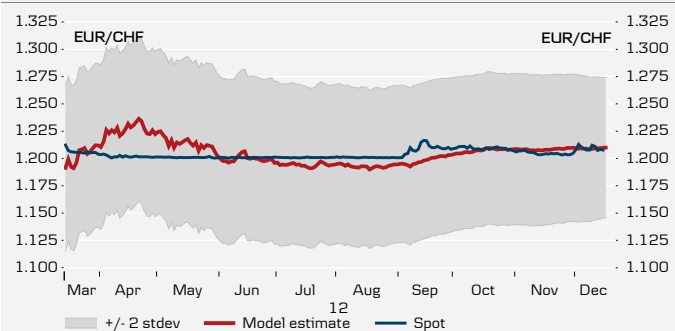
EUR/GBP (model estimate: 0.817)



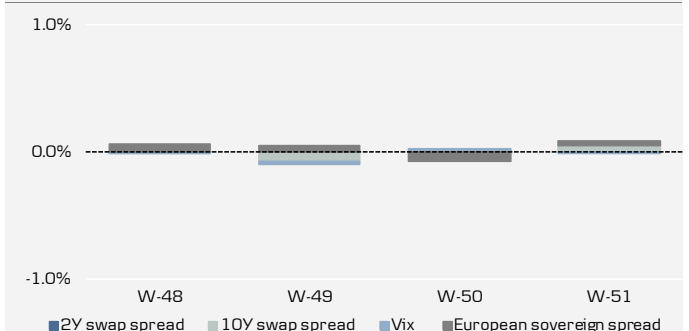
EUR/GBP model contributions



EUR/CHF (model estimate: 1.210)



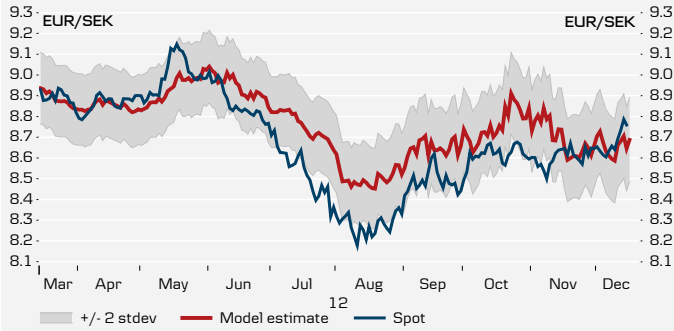
EUR/CHF model contributions



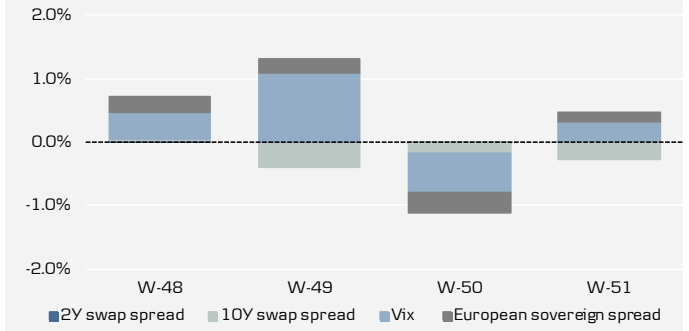
Note: Linear regression models using a 200-day rolling estimation window. 2Y swap spread is included only when spot beta is positive. Short-term financial models are partial models, implying that there is no built-in consistency between, e.g., EUR/NOK, EUR/SEK and NOK/SEK models

Source: Bloomberg, Danske Bank Markets calculations

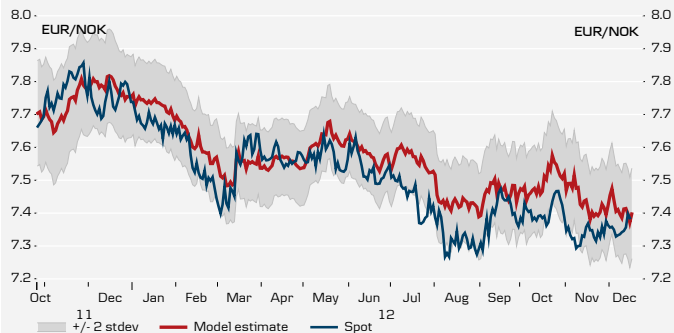
EUR/SEK (model estimate: 8.688)



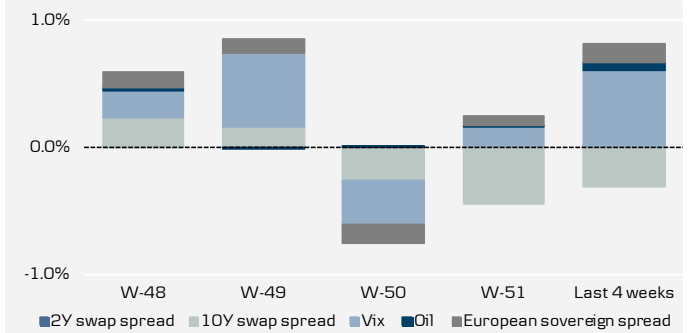
EUR/SEK model contributions



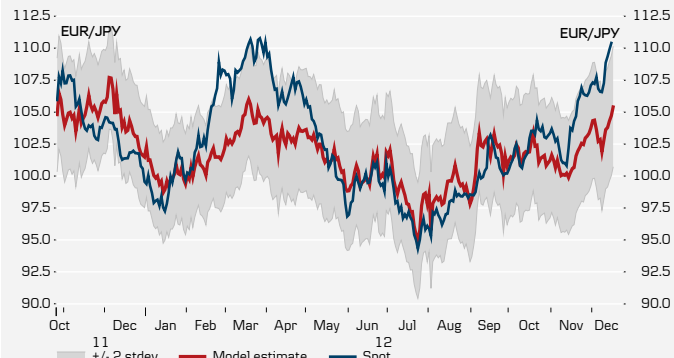
EUR/NOK (model estimate: 7.397)



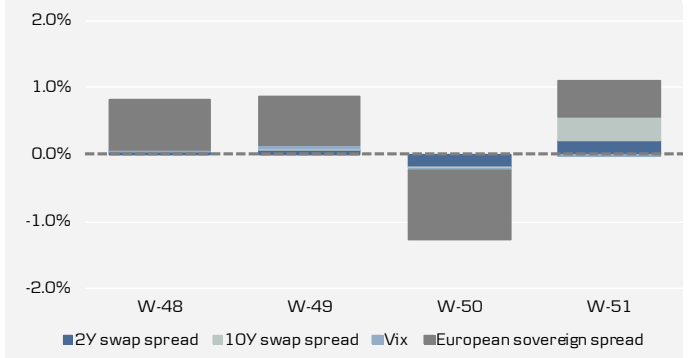
EUR/NOK model contributions



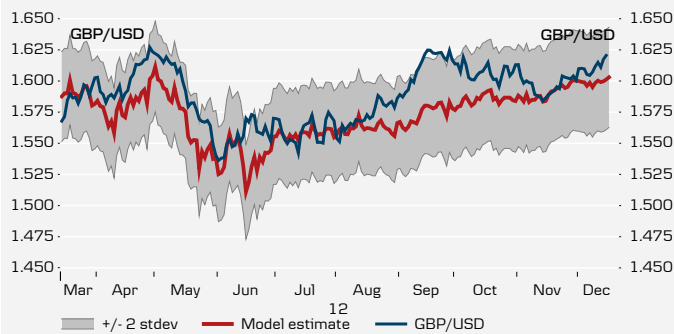
EUR/JPY (model estimate: 105.40)



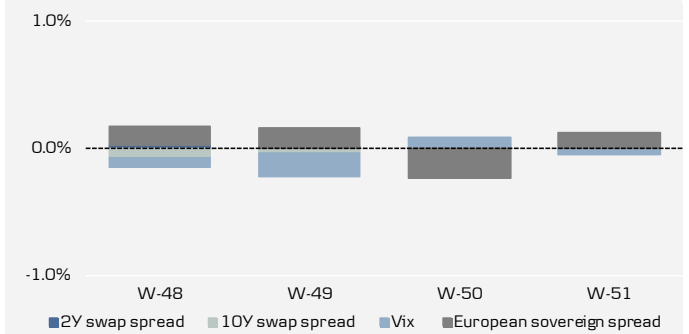
EUR/JPY model contributions



GBP/USD (model estimate: 1.603)



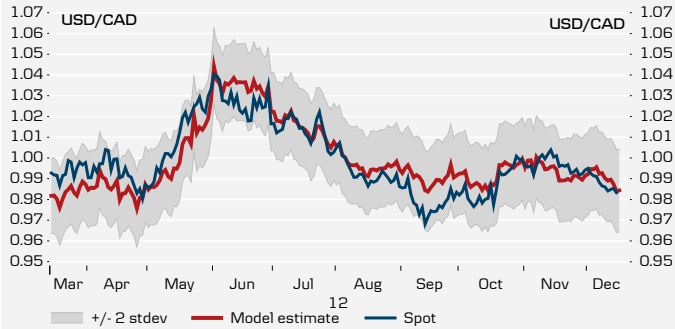
GBP/USD model contributions



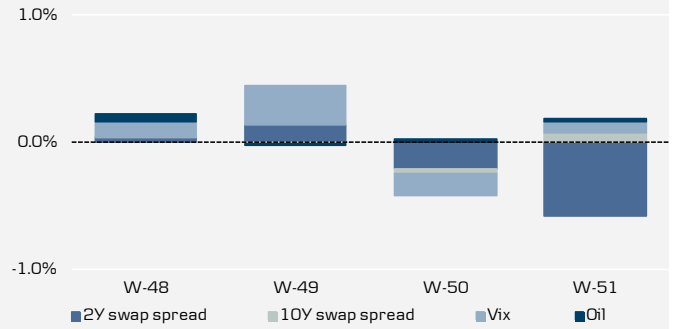
Note: Linear regression models using a 200-day rolling estimation window. 2Y swap spread is included only when spot beta is positive. Short-term financial models are partial models, implying that there is no built-in consistency between, e.g., EUR/NOK, EUR/SEK and NOK/SEK models

Source: Bloomberg, Danske Bank Markets calculations

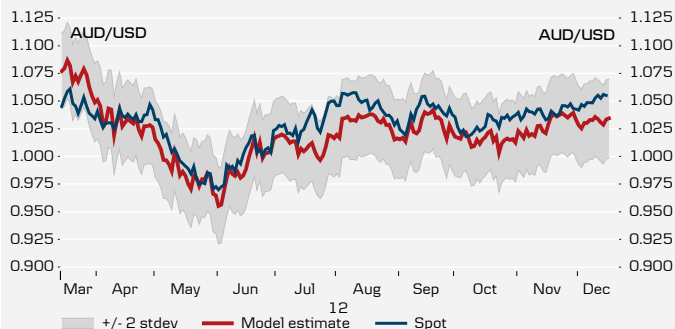
USD/CAD (model estimate: 0.984)



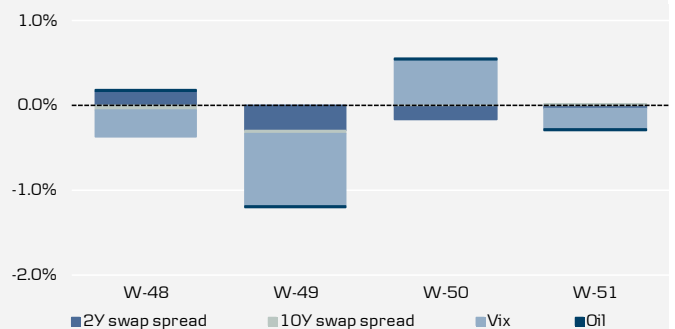
USD/CAD model contributions



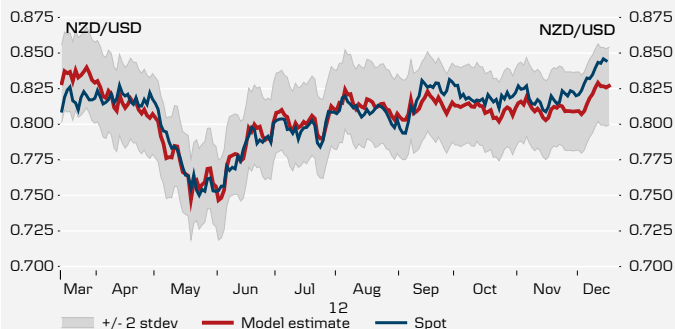
AUD/USD (model estimate: 1.034)



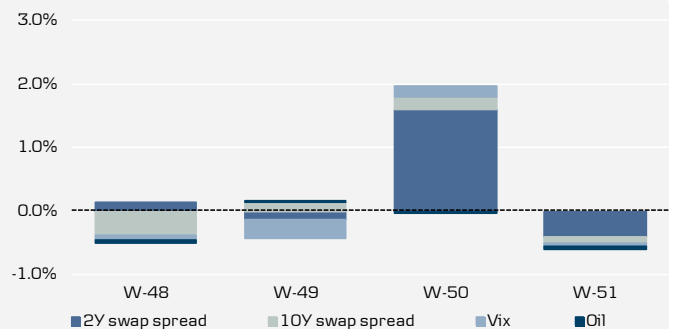
AUD/USD model contributions



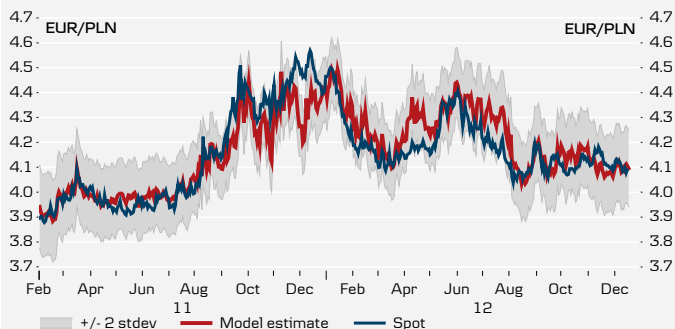
NZD/USD (model estimate: 0.827)



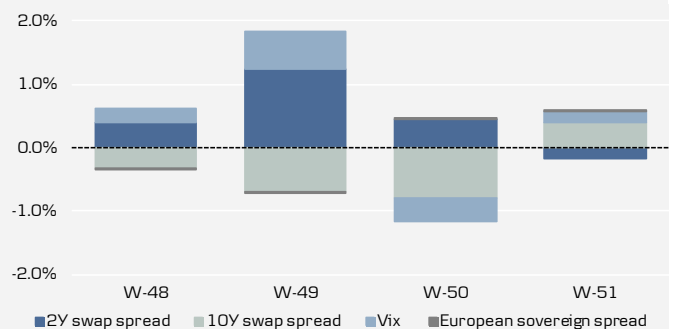
NZD/USD model contributions



EUR/PLN (model estimate: 4.096)



EUR/PLN model contributions



Note: Linear regression models using a 200-day rolling estimation window. 2Y swap spread is included only when spot beta is positive. Short term financial models are partial models, implying that there is no built-in consistency between e.g. EUR/NOK, EUR/SEK and NOK/SEK models

Source: Bloomberg, Danske Bank Markets calculations

Correlation monitor

Correlation monitor - current levels (52-week window) and 10-week changes (arrows)

Correlation monitor - current levels (52-week window) and 10-week changes (arrows)

	USD	JPY	GBP	CHF	AUD	NZD	CAD	SEK	NOK	PLN	CZK	HUF	RUB	TRY	ZAR
USD															
JPY	81% ↑														
GBP	74% ↑	59% ↑													
CHF	31% ↑	26% ↑	18% ↓												
AUD	63% ↑	56% ↑	67% ↑	19% ↑											
NZD	52% ↑	41% ↑	59% ↑	23% ↑	87% ↓										
CAD	79% ↑	61% ↑	81% ↑	19% ↑	77% ↑	70% ↑									
SEK	34% ↑	23% ↑	45% ↑	27% ↑	52% ↓	48% ↓	37% ↓								
NOK	42% ↑	25% ↑	47% ↑	29% ↑	45% ↓	36% ↓	48% ↑	67% ↓							
PLN	-46% ↓	-46% ↓	-22% ↓	-19% ↑	7% ↓	18% ↓	-3% ↓	6% ↓	4% ↓						
CZK	-42% ↓	-33% ↓	-21% ↑	-25% ↓	-7% ↓	-11% ↓	-10% ↓	-23% ↓	-13% ↓	56% ↓					
HUF	-36% ↓	-39% ↑	-7% ↑	-10% ↑	11% ↓	13% ↓	-1% ↓	7% ↓	7% ↓	65% ↑	42% ↓				
RUB	10% ↑	-1% ↑	29% ↑	-9% ↓	45% ↑	38% ↑	39% ↑	25% ↑	31% ↑	46% ↓	22% ↓	39% ↑			
TRY	70% ↑	62% ↑	67% ↑	31% ↑	75% ↑	71% ↑	73% ↑	51% ↓	57% ↑	5% ↓	-19% ↓	19% ↑	34% ↓		
ZAR	37% ↑	33% ↑	56% ↑	13% ↑	73% ↓	65% ↓	57% ↑	49% ↓	36% ↓	18% ↓	2% ↓	13% ↓	38% ↓	59% ↓	
BRL	58% ↑	46% ↑	55% ↑	25% ↑	68% ↓	67% ↑	65% ↑	46% ↓	49% ↓	0% ↓	1% ↓	2% ↓	38% ↓	63% ↓	56% ↓

Highest correlation with MSCI wld.

#	FX	Corr. (10w chg.)	Beta
1	USDCAD	-73% ↑	-0.32*
2	JPYRUB	-72% ↓	-0.91*
3	JPYPLN	-72% →	-0.98*
4	USDRUB	-71% ↑	-0.69*
5	SEKJPY	70% ↓	0.72*
6	USDPLN	-70% ↑	-0.76*
7	NZDJPY	70% ↓	0.66*
8	USDSEK	-70% ↑	-0.5*
9	AUDJPY	69% ↓	0.58*
10	CHFPLN	-69% ↓	-0.44*

Highest correlation with 2Y swap spr.

#	FX	Corr. (10w chg.)	Beta
1	AUDJPY	77% ↓	0.09*
2	NZDJPY	76% ↓	0.15*
3	USDCAD	74% ↑	0.08*
4	CHFHUF	-70% ↑	-0.05*
5	AUDUSD	70% ↓	0.06*
6	EURHUF	-65% ↑	-0.05*
7	EURSEK	63% ↓	0.09*
8	USDSEK	63% ↓	0.1*
9	CADJPY	63% ↑	0.12*
10	NZDUSD	62% ↓	0.08*

Highest correlation with crude oil

#	FX	Corr. (10w chg.)	Beta
1	EURRUB	-61% ↓	-0.26*
2	USDRUB	-59% ↑	-0.34*
3	CHFRUB	-59% ↑	-0.27*
4	GBPRUB	-57% ↑	-0.25*
5	NOKRUB	-56% ↓	-0.24*
6	CADRUB	-50% ↑	-0.23*
7	NZDRUB	-48% ↓	-0.23*
8	SEKRUB	-48% ↓	-0.23*
9	JPYRUB	-48% ↑	-0.35*
10	AUDRUB	-43% ↓	-0.2*

EUR/USD correlations

#	Asset	Corr. (10w chg.)	Beta
1	EURGBP	74% ↓	1.06*
2	Copper	58% ↓	0.28*
3	Itraxx	-56% ↑	-0.11*
4	Global equit.	53% ↓	0.36*
5	Zinc	51% ↓	0.2*
6	Aluminium	51% ↓	0.22*
7	2Y swp. spr.	48% ↓	0.13*
8	Gold	47% ↓	0.29*
9	EURPLN	-46% ↑	-0.52*
10	NZDUSD	46% ↓	0.47*

USD/JPY correlations

#	Asset	Corr. (10w chg.)	Beta
1	US10YSWP	63% ↑	0.07*
2	US10YGOV	61% ↑	0.06*
3	Jap. equit.	60% ↑	0.28*
4	10Y swp. spr	55% ↑	0.08*
5	VIX	-53% ↓	0*
6	G10 Carry	49% ↑	0.59*
7	US2YGOV	46% ↑	0.18*
8	2Y10Y spr.	44% ↑	0.07*
9	Rel. equit.	-42% ↓	-0.23*
10	Global equit.	36% ↑	0.22*

EUR/GBP correlations

#	Asset	Corr. (10w chg.)	Beta
1	EURUSD	74% ↓	0.52*
2	EURNOK	47% ↑	0.51*
3	EURSEK	45% ↑	0.38*
4	Gold	41% ↓	0.18*
5	Aluminium	39% ↓	0.12*
6	Zinc	32% ↓	0.09*
7	Itraxx	-31% ↑	-0.04*
8	Copper	26% ↓	0.09
9	10Y swp. spr	25% →	0.04
10	EURPLN	-22% ↑	-0.17

Notes: Correlations and betas are calculated using a rolling window of 52 weeks. Arrows denote the change in correlation over the past 10 weeks. Significant betas (at 95% confidence level) are denoted by an asterisk

Source: Bloomberg, Danske Bank Markets calculations

EUR/CHF correlations

#	Asset	Corr. (10w chg.)	Beta
1	US10YGOV	48% ↑	0.01*
2	US10YSWP	45% ↑	0.01*
3	10Y swp. spr.	44% ↑	0.02*
4	Itraxx	-35% ↓	-0.01*
5	2Y10Y spr.	32% ↓	0.01*
6	EURUSD	31% ↑	0.05*
7	Global equit.	29% ↑	0.03*
8	EURNOK	29% ↑	0.08*
9	Aluminium	29% ↓	0.02*
10	EURSEK	27% ↑	0.05

EUR/SEK correlations

#	Asset	Corr. (10w chg.)	Beta
1	EURNOK	67% ↑	0.87*
2	2Y swp. spr.	63% ↓	0.09*
3	10Y swp. spr.	45% ↑	0.08*
4	EURGBP	45% ↑	0.53*
5	G10 Carry	-40% ↑	-0.47*
6	2Y10Y spr.	-37% ↑	-0.07*
7	EURUSD	34% ↑	0.28*
8	VIX	30% ↓	0*
9	US equit.	-28% ↑	-0.17*
10	FX volatility	28% ↓	0.06*

EUR/NOK correlations

#	Asset	Corr. (10w chg.)	Beta
1	EURSEK	67% ↑	0.52*
2	EURGBP	47% ↑	0.43*
3	EURUSD	42% ↑	0.27*
4	2Y swp. spr.	32% ↓	0.04*
5	G10 Carry	-30% ↑	-0.27*
6	EURCHF	29% ↑	1.08*
7	US2YSWP	27% ↓	0.06*
8	Aluminium	21% ↑	0.06
9	FX volatility	21% ↓	0.03
10	US2YGOV	21% ↓	0.06

USD/SEK correlations

#	Asset	Corr. (10w chg.)	Beta
1	G10 Carry	-71% ↑	-1.06*
2	Global equit.	-70% ↑	-0.5*
3	EURUSD	-68% ↑	-0.71*
4	2Y swp. spr.	63% ↓	0.1*
5	Itraxx	61% ↓	0.13*
6	US equit.	-59% ↑	-0.46*
7	Ger. equit.	-57% ↑	-0.32*
8	NZDUSD	-55% ↑	-0.59*
9	AUDUSD	-54% ↑	-0.65*
10	USDTRY	52% ↓	0.71*

USD/NOK correlations

#	Asset	Corr. (10w chg.)	Beta
1	EURUSD	-78% ↑	-0.72*
2	G10 Carry	-66% ↑	-0.86*
3	Global equit.	-60% ↑	-0.38*
4	Itraxx	56% ↓	0.1*
5	USDTRY	53% ↓	0.63*
6	EURPLN	52% ↓	0.54*
7	Ger. equit.	-51% ↑	-0.25*
8	Copper	-49% ↑	-0.22*
9	US equit.	-47% ↑	-0.32*
10	EURGBP	-46% ↑	-0.62*

NOK/SEK correlations

#	Asset	Corr. (10w chg.)	Beta
1	EURSEK	64% →	0.48*
2	2Y swp. spr.	56% ↓	0.05*
3	2Y10Y spr.	-38% ↑	-0.05*
4	GR10YGOV	31% ↑	0*
5	US equit.	-30% ↓	-0.14*
6	Global equit.	-28% ↓	-0.12*
7	10Y swp. spr.	27% ↓	0.03*
8	US10YSWP	-26% ↓	-0.02
9	AUDUSD	-26% ↓	-0.18
10	NZDUSD	-25% ↓	-0.16

AUD/USD correlations

#	Asset	Corr. (10w chg.)	Beta
1	NZDUSD	84% ↓	0.75*
2	G10 Carry	71% ↓	0.88*
3	2Y swp. spr.	70% ↓	0.06*
4	USDCAD	-64% ↑	-0.89*
5	EURPLN	-61% ↑	-0.6*
6	Global equit.	61% ↓	0.37*
7	USDTRY	-60% ↑	-0.68*
8	2Y10Y spr.	-59% ↑	-0.07*
9	Itraxx	-54% ↑	-0.09*
10	US equit.	53% ↓	0.34*

NZD/USD correlations

#	Asset	Corr. (10w chg.)	Beta
1	AUDUSD	84% ↓	0.95*
2	G10 Carry	70% ↓	0.97*
3	Global equit.	65% ↓	0.44*
4	EURPLN	-65% →	-0.72*
5	USDCAD	-64% ↑	-1.01*
6	USDTRY	-62% ↑	-0.8*
7	2Y swp. spr.	62% ↓	0.08*
8	US equit.	60% ↓	0.44*
9	Itraxx	-57% ↑	-0.12*
10	Ger. equit.	54% ↓	0.29*

USD/CAD correlations

#	Asset	Corr. (10w chg.)	Beta
1	2Y swp. spr.	74% ↑	0.08*
2	Global equit.	-73% ↑	-0.32*
3	US equit.	-72% ↑	-0.34*
4	EURPLN	69% ↑	0.49*
5	Ger. equit.	-65% ↑	-0.22*
6	NZDUSD	-64% ↑	-0.41*
7	AUDUSD	-64% ↑	-0.46*
8	Itraxx	62% ↓	0.08*
9	Copper	-62% ↑	-0.19*
10	VIX	58% ↓	0*

EUR/CZK correlations

#	Asset	Corr. (10w chg.)	Beta
1	EURPLN	56% ↓	0.44*
2	Itraxx	52% ↓	0.07*
3	USDCAD	52% →	0.58*
4	Global equit.	-49% ↑	-0.24*
5	Ger. equit.	-46% ↑	-0.17*
6	US equit.	-45% ↑	-0.23*
7	IT10YGOV	44% ↓	0.02*
8	Copper	-43% ↑	-0.15*
9	EURUSD	-42% →	-0.3*
10	AUDUSD	-40% ↑	-0.32*

EUR/RUB correlations

#	Asset	Corr. (10w chg.)	Beta
1	Crude oil	-61% ↓	-0.26*
2	VIX	47% →	0*
3	EURPLN	46% ↓	0.55*
4	US equit.	-45% ↓	-0.35*
5	G10 Carry	-44% ↓	-0.65*
6	AUDUSD	-43% ↓	-0.52*
7	USDCAD	43% ↑	0.71*
8	FX volatility	41% ↓	0.11*
9	Global equit.	-39% ↓	-0.28*
10	Ger. equit.	-39% ↓	-0.22*

EUR/PLN correlations

#	Asset	Corr. (10w chg.)	Beta
1	USDCAD	69% ↑	0.98*
2	Itraxx	68% ↓	0.12*
3	Global equit.	-67% ↓	-0.41*
4	USDTRY	66% →	0.76*
5	NZDUSD	-65% →	-0.58*
6	US equit.	-64% ↓	-0.42*
7	AUDUSD	-61% ↑	-0.62*
8	G10 Carry	-59% ↑	-0.74*
9	Ger. equit.	-58% →	-0.28*
10	Copper	-58% →	-0.25*

EUR/HUF correlations

#	Asset	Corr. (10w chg.)	Beta
1	USDTRY	72% ↑	1.01*
2	10Y swp. spr.	-71% ↑	-0.05*
3	2Y swp. spr.	-65% ↑	-0.05*
4	EURPLN	65% ↑	0.8*
5	Itraxx	57% ↑	0.13*
6	Global equit.	-56% ↓	-0.42*
7	USDCAD	56% ↑	0.97*
8	VIX	55% ↑	0*
9	AUDUSD	-54% ↓	-0.67*
10	US equit.	-53% ↓	-0.43*

USD/TRY correlations

#	Asset	Corr. (10w chg.)	Beta
1	EURPLN	66% →	0.57*
2	NZDUSD	-62% ↑	-0.49*
3	AUDUSD	-60% ↑	-0.53*
4	FX volatility	57% ↑	0.12*
5	Itraxx	54% ↓	0.08*
6	G10 Carry	-52% ↑	-0.57*
7	Global equit.	-51% ↑	-0.27*
8	USDCAD	47% ↓	0.58*
9	US2YSWP	47% ↓	0.13*
10	Ger. equit.	-46% ↑	-0.19*

USD/ZAR correlations

#	Asset	Corr. (10w chg.)	Beta
1	AUDUSD	-73% ↑	-1.21*
2	G10 Carry	-62% ↑	-1.27*
3	NZDUSD	-61% ↑	-0.9*
4	2Y10Y spr.	-60% ↑	-0.07*
5	USDTRY	55% ↓	1.04*
6	USDCAD	55% ↓	1.28*
7	10Y swp. spr.	-53% ↑	-0.07*
8	Itraxx	52% ↓	0.15*
9	Global equit.	-50% ↑	-0.5*
10	EURPLN	50% ↓	0.81*

Notes: Correlations and betas are calculated using a rolling window of 52 weeks. Arrows denote the change in correlation over the past 10 weeks. Significant betas (at 95% confidence level) are denoted by an asterisk. Source: Bloomberg, Danske Bank Markets calculations

Carry monitor

Carry overview (against EUR)

	Carry in forward market (annualized)					Carry-to-risk (carry / ATM volatility)			
	1W	1M	3M	1Y		1W	1M	3M	1Y
USD	0.3%	0.4%	0.4%	0.4%	USD	0.0	0.1	0.0	0.0
JPY	0.0%	0.0%	0.0%	0.0%	JPY	0.0	0.0	0.0	0.0
GBP	0.5%	0.5%	0.4%	0.5%	GBP	0.1	0.1	0.1	0.1
CHF	-0.1%	-0.4%	-0.3%	-0.3%	CHF	-0.1	-0.2	-0.1	-0.1
SEK	1.2%	1.4%	1.2%	1.1%	SEK	0.2	0.2	0.2	0.2
NOK	1.7%	1.8%	1.7%	1.8%	NOK	0.4	0.4	0.3	0.3
AUD	3.0%	3.4%	3.1%	3.1%	AUD	0.5	0.5	0.4	0.4
NZD	2.7%	3.0%	2.7%	2.8%	NZD	0.4	0.4	0.4	0.3
CAD	1.1%	1.3%	1.1%	1.4%	CAD	0.2	0.2	0.2	0.2
DKK	-0.2%	-0.5%	-0.3%	-0.2%	DKK	n/a	n/a	n/a	n/a
PLN	4.3%	4.4%	3.8%	3.2%	PLN	0.7	0.8	0.6	0.4
TRY	5.2%	4.9%	4.5%	4.9%	TRY	0.9	0.9	0.7	0.6
MXN	3.7%	3.2%	3.3%	3.9%	MXN	0.5	0.4	0.4	0.4
ZAR	5.3%	6.3%	5.5%	5.5%	ZAR	0.0	0.0	0.0	0.0

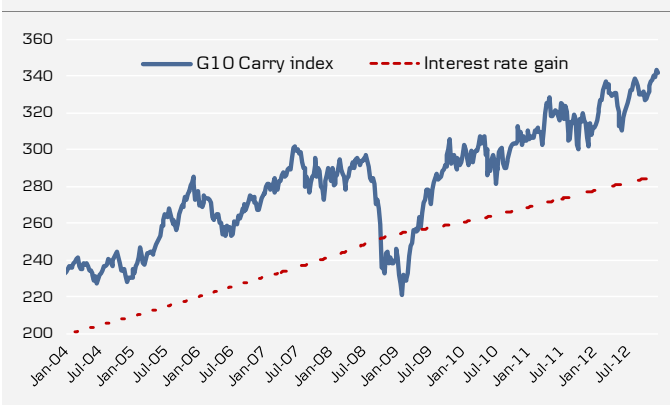
Top 10 carry currency pairs (1M)

	Currency pair	Carry-to-risk	Carry
1	TRY/USD	1.02	4.6%
2	TRY/EUR	0.90	4.9%
3	PLN/EUR	0.77	4.4%
4	AUD/CHF	0.60	3.8%
5	AUD/GBP	0.54	2.9%
6	AUD/EUR	0.54	3.4%
7	AUD/USD	0.50	3.0%
8	NZD/CHF	0.49	3.4%
9	AUD/CAD	0.47	2.1%
10	NZD/EUR	0.42	3.0%

Top 10 carry currency pairs (3M)

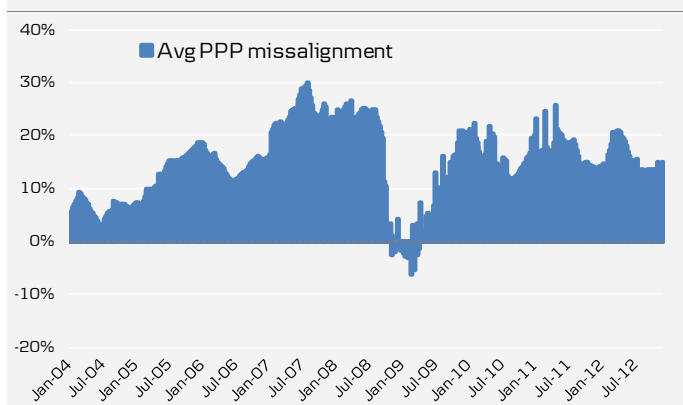
	Currency pair	Carry-to-risk	Carry
1	TRY/EUR	0.70	4.5%
2	TRY/USD	0.68	4.1%
3	PLN/EUR	0.59	3.8%
4	AUD/CHF	0.47	3.4%
5	AUD/EUR	0.43	3.0%
6	AUD/GBP	0.42	2.6%
7	NZD/CHF	0.39	3.0%
8	AUD/USD	0.39	2.7%
9	AUD/CAD	0.36	1.9%
10	NZD/EUR	0.35	2.7%

G10 carry index (total return)



Source: Bloomberg, Danske Bank Markets calculations

G10 carry index (average deviation from PPP)



Volatility overview

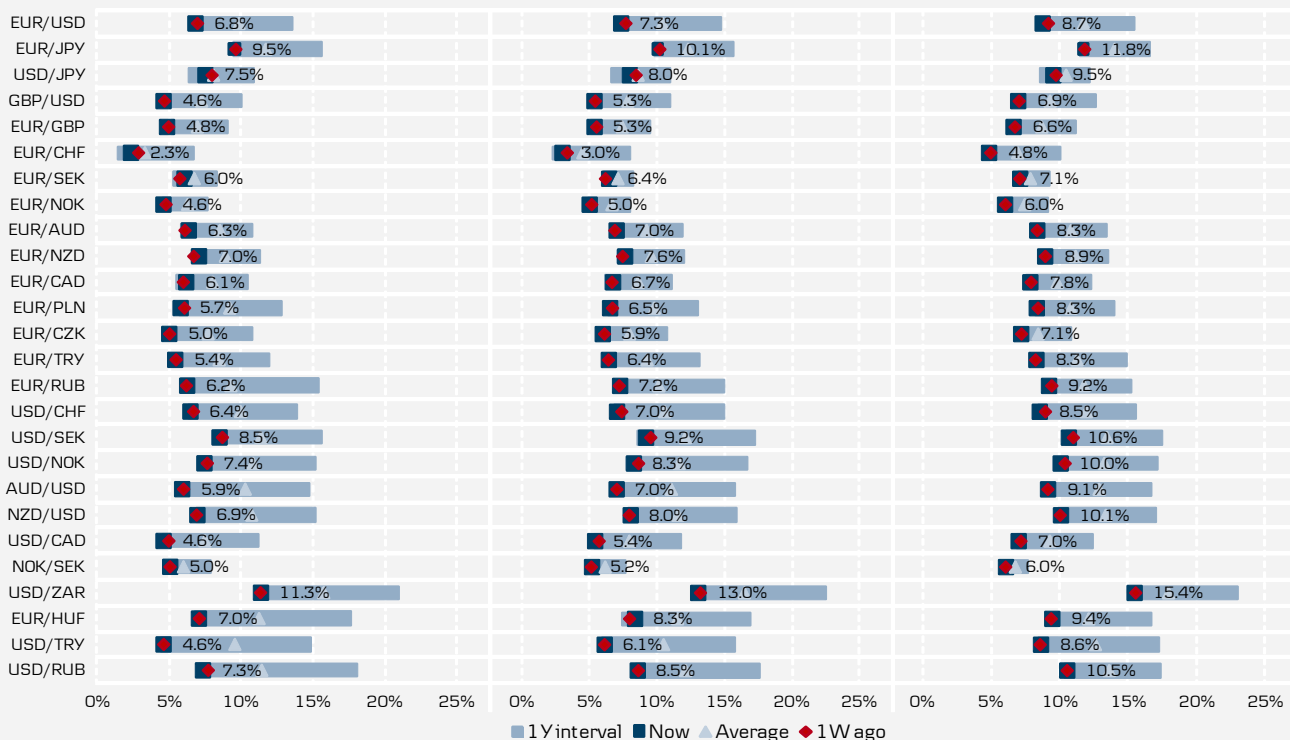
Current implied volatilities, one-week changes and actual volatilities

	1Wimp/chg. Act. / Spr. Z-scr.			1Mimp/chg. Act. / Spr. Z-scr.			3Mimp/chg. Act. / Spr. Z-scr.			1Y imp/chg. Act. / Spr. Z-scr.			1M-1Y slope/Z-scr.					
EUR/USD	6.5%	↓	6.3%	-0.6	6.8%	↓	6.6%	-0.8	7.3%	↓	7.2%	-0.8	8.7%	↓	8.6%	-1.0	1.9	0.1
EUR/JPY	9.6%	↓	11.8%	-1.7	9.5%	↓	10.8%	-1.3	10.1%	↓	10.6%	-1.2	11.8%	↓	11.2%	-0.6	2.2	-0.1
USD/JPY	8.4%	↓	9.1%	-1.1	7.5%	↓	7.7%	-1.0	8.0%	↓	6.9%	0.0	9.5%	↓	7.5%	0.8	2.0	-0.5
GBP/USD	4.6%	↓	4.9%	-1.0	4.6%	↓	4.5%	-0.7	5.3%	↓	5.1%	-0.5	6.9%	↓	6.6%	-0.6	2.4	0.6
EUR/GBP	4.7%	↓	5.0%	-0.6	4.8%	↓	5.3%	-1.0	5.3%	↓	5.4%	-0.6	6.6%	↓	6.6%	-0.8	1.8	0.1
EUR/CHF	2.1%	↓	3.2%	-1.6	2.3%	↓	3.2%	-1.3	3.0%	↓	2.8%	-0.7	4.8%	↓	2.8%	1.5	2.5	-1.5
EUR/SEK	6.4%	↑	7.2%	-0.7	6.0%	↑	6.2%	0.0	6.4%	↑	6.7%	-0.5	7.1%	↑	6.8%	0.4	1.1	-0.2
EUR/NOK	4.6%	↓	4.7%	0.0	4.6%	↓	4.9%	-0.4	5.0%	↓	5.7%	-1.2	6.0%	↓	6.3%	-0.1	1.4	0.6
EUR/AUD	5.9%	↓	6.0%	-0.4	6.3%	↑	6.2%	-0.7	7.0%	↑	6.6%	-1.0	8.3%	↓	7.7%	-0.9	2.0	-0.6
EUR/NZD	6.8%	↑	6.3%	0.6	7.0%	↑	6.9%	0.0	7.6%	↑	7.9%	-0.9	8.9%	↓	8.7%	0.4	1.9	-0.7
EUR/CAD	5.8%	↓	6.2%	-0.4	6.1%	↑	6.8%	-1.3	6.7%	↑	7.0%	-1.3	7.8%	↓	7.6%	-0.6	1.7	-0.2
EUR/PLN	5.9%	↓	5.8%	-0.1	5.7%	↓	5.8%	-0.3	6.5%	↓	7.1%	-0.7	8.3%	↓	8.9%	-0.7	2.5	1.4
EUR/CZK	4.1%	↓	4.7%	-0.1	5.0%	↓	5.1%	0.7	5.9%	↓	6.4%	0.4	7.1%	↓	8.2%	-0.7	2.2	2.8
EUR/TRY	5.6%	↑	5.7%	-0.1	5.4%	↓	5.8%	-0.4	6.4%	↑	6.4%	-0.5	8.3%	↑	8.4%	-0.4	2.9	0.2
EUR/RUB	5.8%	↑	7.0%	-1.4	6.2%	↑	6.4%	-1.3	7.2%	↑	6.2%	-0.6	9.2%	↓	7.9%	-0.6	3.0	0.5
USD/CHF	6.5%	↓	6.6%	-0.7	6.4%	↓	6.7%	-1.1	7.0%	↓	6.9%	-0.8	8.5%	↓	8.6%	1.1	2.1	0.1
USD/SEK	8.5%	↓	9.6%	-0.7	8.5%	↓	8.7%	-0.5	9.2%	↓	9.3%	-0.4	10.6%	↓	10.9%	0.5	2.2	0.1
USD/NOK	7.4%	↓	7.2%	0.2	7.4%	↓	7.7%	-0.6	8.3%	↓	8.6%	-0.7	10.0%	↓	10.3%	0.1	2.6	0.3
AUD/USD	5.2%	↓	5.6%	-0.7	5.9%	↓	5.7%	-0.3	7.0%	↓	7.1%	-0.4	9.1%	↑	9.5%	-0.2	3.3	1.0
NZD/USD	6.6%	↓	7.2%	-0.5	6.9%	↑	6.9%	-0.1	8.0%	↑	8.5%	-0.6	10.1%	↑	10.3%	0.3	3.1	0.8
USD/CAD	4.3%	↓	3.9%	0.4	4.6%	↓	4.9%	-0.8	5.4%	↓	6.1%	-0.8	7.0%	↓	7.0%	0.5	2.4	1.3
NOK/SEK	5.8%	↑	6.5%	0.1	5.0%	↑	5.9%	-0.1	5.2%	↑	6.3%	-0.6	6.0%	↑	6.8%	0.4	1.0	0.7
USD/ZAR	11.0%	↓	9.2%	0.5	11.3%	↑	10.3%	0.3	13.0%	↓	14.3%	-0.8	15.4%	↓	14.9%	0.6	4.1	2.0
EUR/HUF	7.8%	↑	8.8%	-0.6	7.0%	↓	7.9%	-0.6	8.3%	↑	8.4%	0.6	9.4%	↑	11.5%	-0.5	2.4	2.1
USD/TRY	4.2%	↓	4.3%	-0.5	4.6%	↓	4.0%	-0.4	6.1%	↑	5.4%	-0.5	8.6%	↑	8.6%	-0.9	4.0	1.4
USD/RUB	7.0%	↓	7.7%	-1.4	7.3%	↓	7.3%	-1.1	8.5%	↓	8.1%	-0.7	10.5%	↑	9.9%	-1.4	3.2	0.9

1M volatilities (pct.1le)

3M volatilities

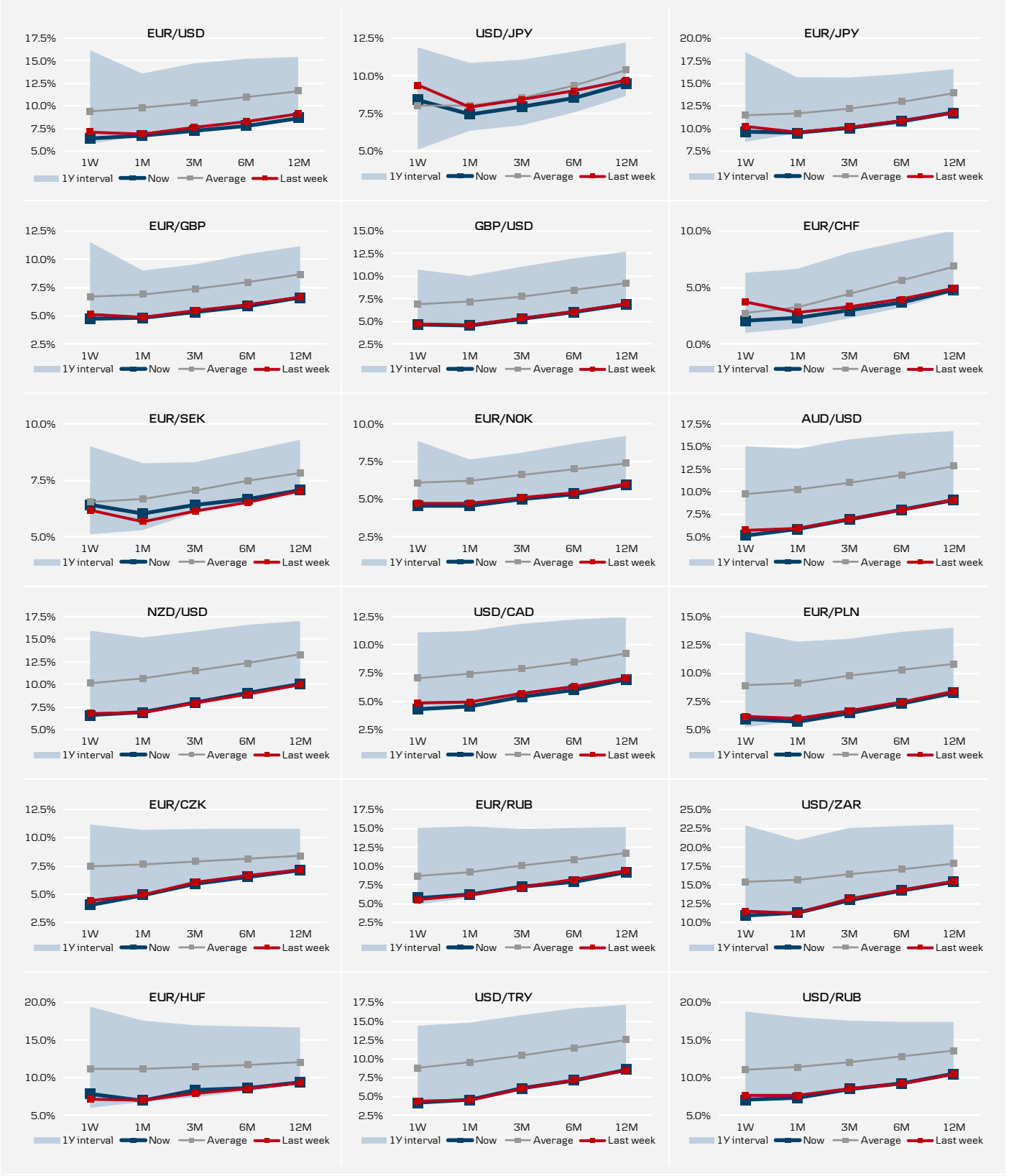
1Y volatilities



Note: The table shows current levels of ATM implied volatilities, historical volatilities and the Z-score on the spread calculated using one year of observations. The last column shows the slope of the implied volatility term structure and a Z-score calculated using one year of observations. The chart shows current levels of 1M, 3M and 1Y ATM implied volatilities, the level one week ago, the average level of the past year and the 1Y interval.

Source: Bloomberg, Danske Bank Markets calculations

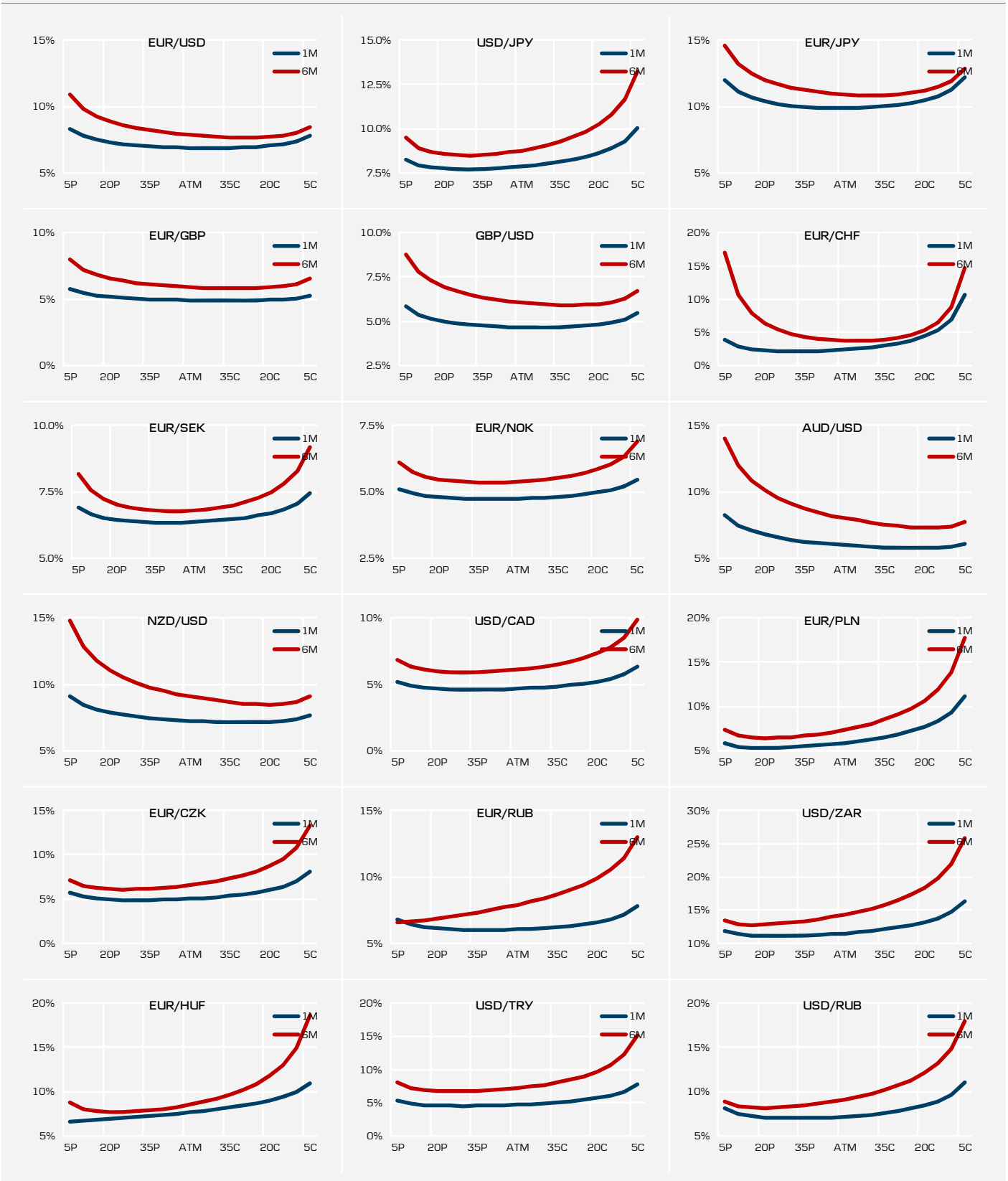
G10 and EM implied volatility cones



Note: The volatility cones show ATM implied volatilities for G10 and EM currency pairs

Source: Bloomberg, Danske Bank Markets

G10 and EM implied volatility surfaces



Note: The chart shows the implied volatility surface for G10 and EM currency pairs. Data is based on mid-prices and is indicative only. The data is shown for maturities of 1 and 6 months for various moneyness. Put deltas are denoted 'xP', while call deltas are denoted 'xC'

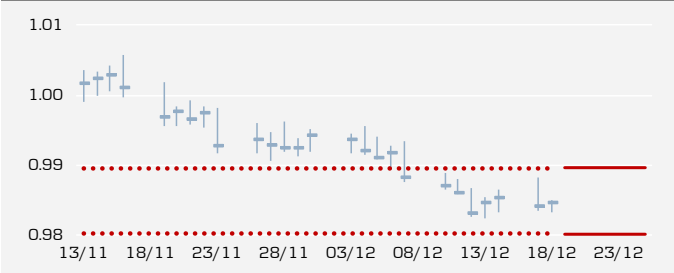
Source: Danske Bank Markets

Range trading monitor

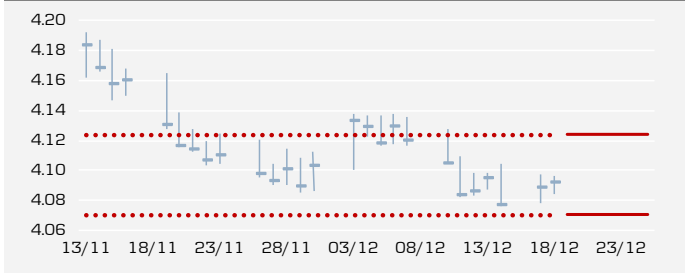
Ranking of range trade candidates

1 week strategies					1 month strategies					3 month strategies							
#	FX	Actual range	Delta-neutral straddle	Ratio*	ADX**	#	FX	Actual range	Delta-neutral straddle	Ratio*	ADX**	#	FX	Actual range	Delta-neutral straddle	Ratio*	ADX**
1	USD/CAD	57 pips	47 pips	1.2	17.7	1	AUD/CAD	116 pips	111 pips	1.0	13.8	1	EUR/CHF	141 pips	142 pips	1.0	28.9
2	EUR/PLN	331 pips	267 pips	1.2	18.1	2	GBP/AUD	207 pips	193 pips	1.1	12.8	2	CHF/NOK	1441 pips	1327 pips	1.1	17.8
3	GBP/NOK	788 pips	600 pips	1.3	16.1	3	EUR/NOK	1005 pips	788 pips	1.3	14.9	3	GBP/SEK	3579 pips	3190 pips	1.1	13.0

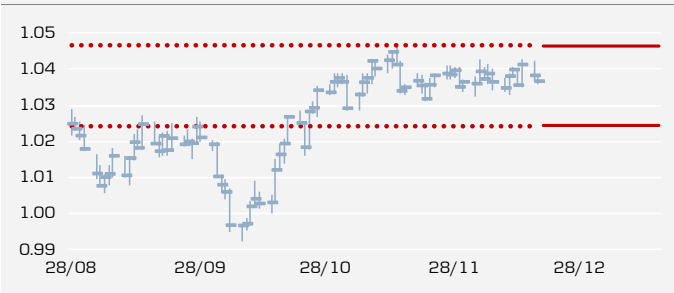
1W range trade no. 1 - USD/CAD



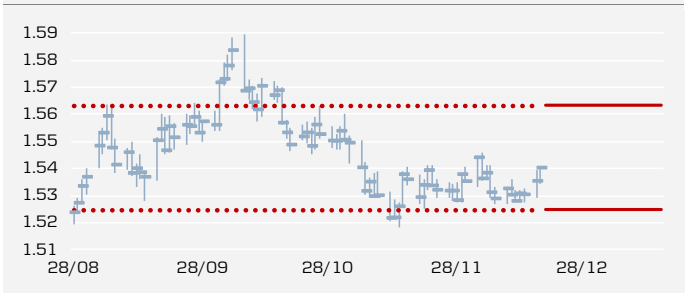
1W range trade no. 2 - EUR/PLN



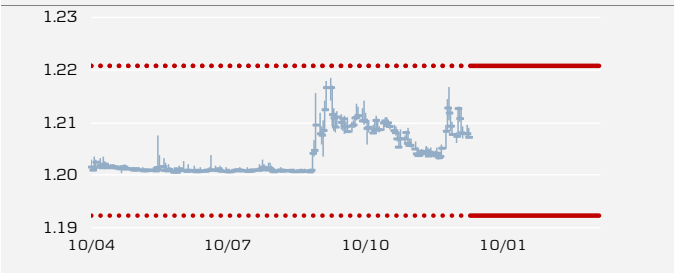
1M range trade no. 1 - AUD/CAD



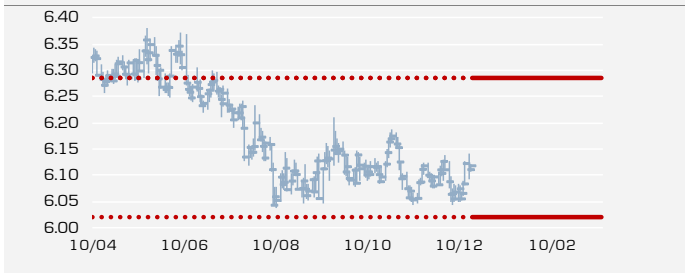
1M range trade no. 2 - GBP/AUD



3M range trade no. 1 - EUR/CHF



3M range trade no. 2 - CHF/NOK



Notes: Range trades are ranked by the realised range relative to the payoff received by selling a straddle, with the strike set at-the-money (DNS convention)

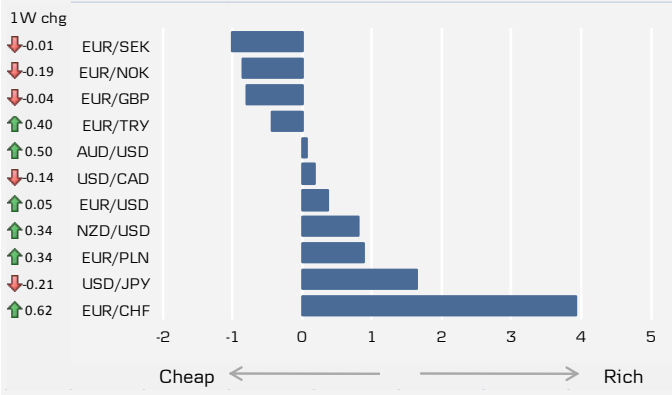
* A ratio below 1 implies that the historically realised range is smaller than the break-even range

**ADX provides a measure of the strength of the trend in a given currency pair. Generally, a value above 25 characterizes a pair that is trending. The bands in the charts show break-even levels. Indicative prices and levels

Source: Bloomberg, Danske Bank Markets calculations

Option market positioning and skew valuation

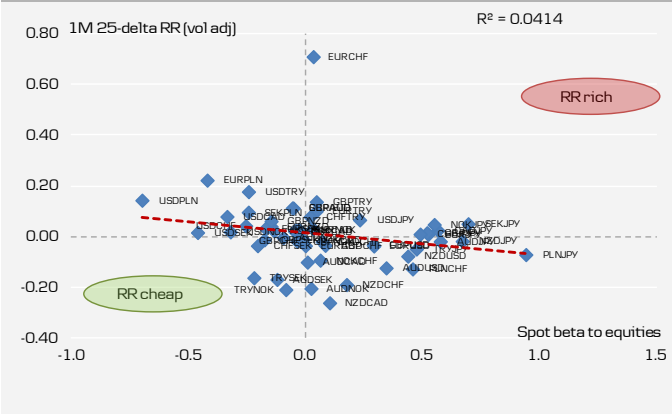
1M 25-delta risk reversals (z-scores, vol adjusted)



1M 25-delta risk reversals (z-scores, vol adjusted)

Cheap					Rich				
#	Currency	Z-score	RR	1W chg	#	Currency	Z-score	RR	1W chg
1	NZD/CAD	-3.2	-1.4	↑	1	EUR/CHF	3.9	1.6	↑
2	AUD/NOK	-3.0	-1.3	↓	2	SEK/JPY	3.1	0.5	↑
3	AUD/SEK	-2.3	-1.2	↓	3	NOK/JPY	3.0	0.5	↑
4	CHF/SEK	-2.0	-0.2	↑	4	CAD/JPY	2.7	0.2	↓
5	TRY/NOK	-2.0	-1.4	↓	5	EUR/JPY	2.5	0.1	↑
6	CHF/TRY	-1.5	0.5	↑	6	AUD/JPY	2.5	-0.2	↑
7	NZD/CHF	-1.4	-1.3	↓	7	GBP/JPY	2.4	0.1	↑
8	TRY/SEK	-1.2	-1.2	↓	8	TRY/JPY	2.3	-0.4	↓
9	EUR/SEK	-1.0	0.2	↓	9	NZD/JPY	2.1	-0.2	↓
10	EUR/NZD	-1.0	0.3	↓	10	GBP/CHF	2.0	0.2	↓

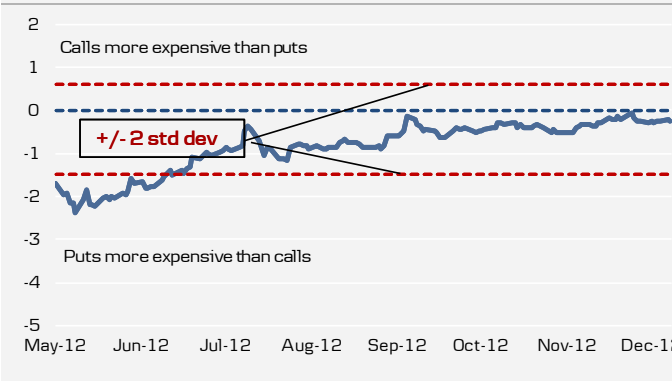
Risk reversals explained by currency spot betas to equities



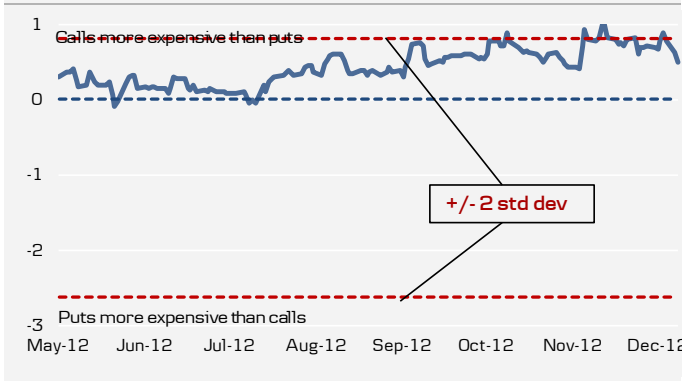
Valuation signals from simple comparison with equity betas

'RR sign' = 'Risk beta sign'				Residuals (simple model)					
#	Currency	Risk beta	RR (adj)	RR	#	Currency	Residual	RR (adj)	RR
1	SEKJPY	0.7	0.1	rich	1	EURCHF	0.7	0.7	rich
2	EURCHF	0.0	0.7	rich	2	NZDCAD	-0.3	-0.3	cheap
3	NOKJPY	0.5	0.0	rich	3	TRYNOK	-0.2	-0.2	cheap
4	CADJPY	0.6	0.0	rich	4	AUDNOK	-0.2	-0.2	cheap
5	GBPJPY	0.5	0.0	rich	5	TRYSEK	-0.2	-0.2	cheap
6	EURJPY	0.5	0.0	rich	6	AUDSEK	-0.2	-0.2	cheap
7	CHFJPY	0.5	0.0	rich	7	NZDCHF	-0.2	-0.2	cheap
8	TRYSEK	-0.2	-0.2	cheap	8	EURPLN	0.2	0.2	rich
9	USDJPY	0.2	0.1	rich	9	USDTRY	0.1	0.2	rich
10	TRYNOK	-0.1	-0.2	cheap	10	GBPTRY	0.1	0.1	rich

EUR/USD 1M 25-delta risk reversal



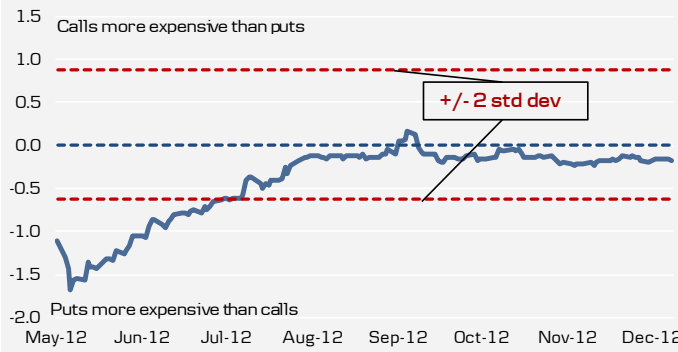
USD/JPY 1M 25-delta risk reversal



Note: Z-scores are computed using maximum available data and on risk reversals divided by ATM volatility. Spot beta to equities ('risk beta') is the beta coefficient from a linear regression of weekly spot returns on weekly returns on the S&P500 equity index using a 1Y estimation window. Red broken lines in 1M RR charts indicate the +/- 2 std dev band (computed on a volatility adjusted basis)

Source: Bloomberg (synthetic risk reversal quotes are used for non-standard currency pairs), Danske Bank Markets calculations

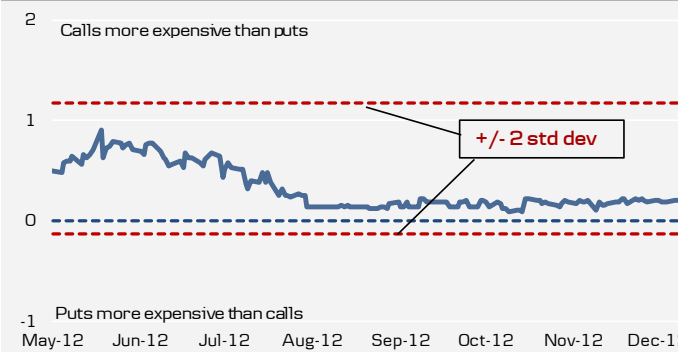
EUR/GBP 1M 25-delta risk reversal



EUR/CHF 1M 25-delta risk reversal



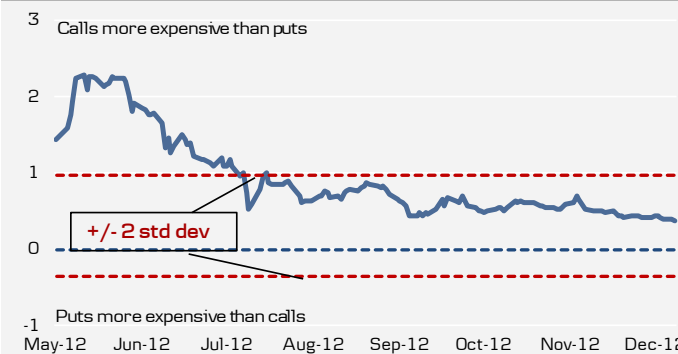
EUR/SEK 1M 25-delta risk reversal



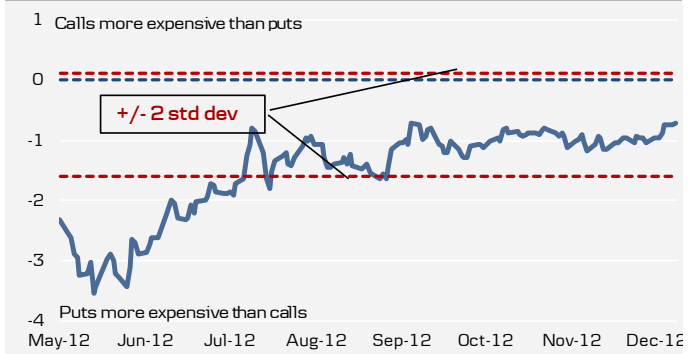
EUR/NOK 1M 25-delta risk reversal



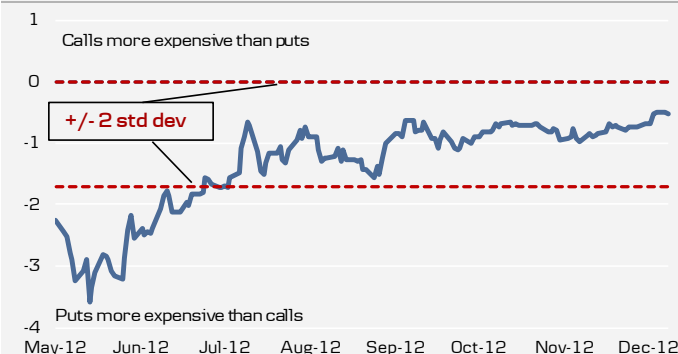
USD/CAD 1M 25-delta risk reversal



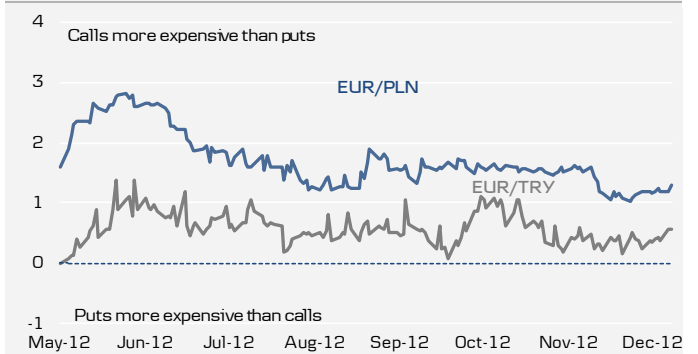
AUD/USD 1M 25-delta risk reversal



NZD/USD 1M 25-delta risk reversal



EM 1M 25-delta risk reversal



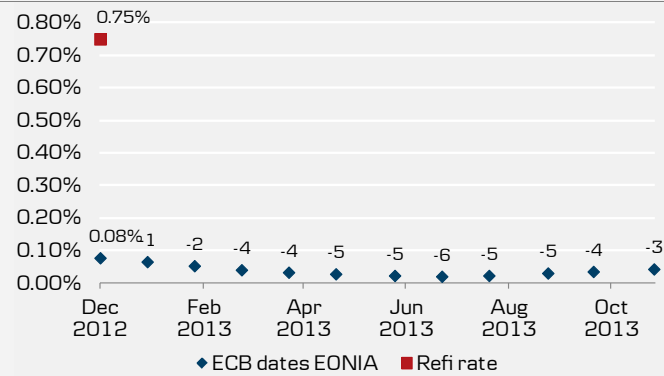
Source: Bloomberg (synthetic risk reversal quotes are used for non-standard currency pairs), Danske Bank Markets calculations

Central bank overview

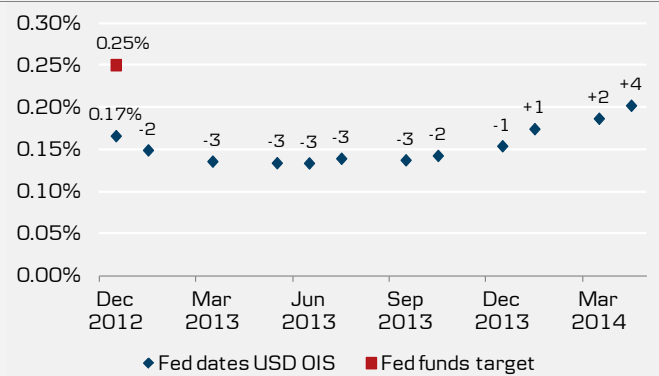
Main G10 central banks outlook

Official policy rate	Current	Next decision	DB forecasts (3M-6M-12M)			Official policy rate	Current	Next decision	DB forecasts (3M-6M-12M)		
EUR Minimum bid rate	0.75%	10 Jan 13	1.00	1.00	1.00	SEK Repo rate	1.00%	13 Feb 13	1.50	1.25	1.00
USD Federal funds rate	0.25%	30 Jan 13	0.25	0.25	0.25	NOK Sight deposit rate	1.50%	19 Dec 12	1.50	1.50	2.00
JPY Overnight call rate	0.10%	20 Dec 12	0.10	0.10	0.10	CAD Overnight rate	1.00%	23 Jan 13	1.00	1.25	1.50
GBP Base rate	0.50%	10 Jan 13	0.50	0.50	0.50	AUD Cash rate	3.00%	05 Feb 13	3.50	3.50	3.50
CHF 3-month Libor	0.00%	14 Mar 13	0.00	0.00	0.00	NZD Cash rate	2.50%	30 Jan 13	2.50	2.50	2.50

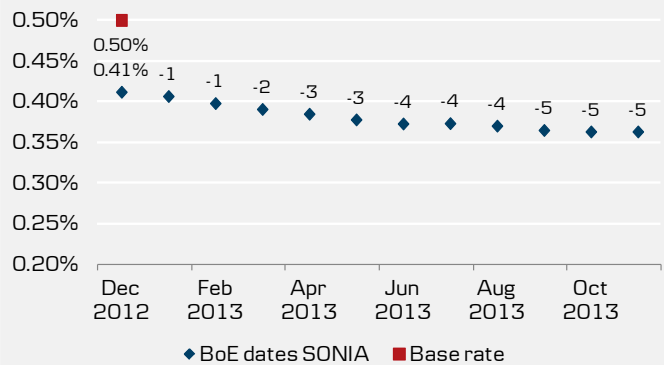
ECB market pricing



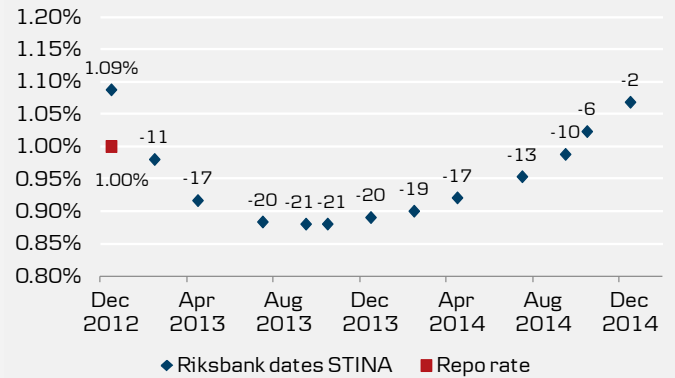
Fed market pricing



BoE market pricing



Riksbank market pricing



Note: The charts show the cumulative market pricing of rate changes on meeting dates

Source: Danske Bank Markets

FX trade recommendation overview

Open FX Trades			
Type	Trade	Idea	Target & P/L*
Option	Enter 6M USD/JPY Seagull	Enter 6M 77.00-79.30-84.00 USD/JPY Seagull at zero cost to position for a move higher in USD/JPY. We expect Bank of Japan (BoJ) easing to drive the yen weaker but we doubt that we will see a move much above 84.	Opened 15/08/2012
			Start 0.00%
			Target/Stop
			Now 4.53%
Spot	Buy RUB, AUD, NOK versus USD	Go long carry (RuB, AUD, NOK versus USD) to position for the effect of Fed's policy response.	Opened 19/09/2012
			Start 100
			Target/Stop 110 / 95.0
			Now 101.31
Option	Enter 1M-3M EUR/SEK call calendar spread	Enter 1M-3M EUR/SEK 8.60 call spread to position for a temporary move higher in EUR/SEK.	Opened 02/10/2012
			Start 0.61%
			Target/Stop
			Now -0.87%
Spot	Buy EUR/CZK	We recommend buying EUR/CZK as lower Czech interest rates for longer and a considerable risk of FX intervention by the CNB have increased the probability of a substantially weaker CZK on a one to six month horizon.	Opened 05/11/2012
			Start 25.267
			Target/Stop 26.00 / 24.90
			Now 25.256
			P/L -0.05%

Source: Danske Bank Markets

Closed FX Trades							
#	Type	Trade	Opened	Level	Closed	Level	P/L
1	Spot	Sell GBP/NOK	19/01/12	9.17	23/02/12	8.850	3.93%
2	Option	Sold EUR/CHF put spread	06/02/12	1.2068	06/04/12	1.204	-0.67%
4	Option	Buy 1M EUR/SEK Strangle	25/07/12	8.46	02/08/12	8.305	0.35%
9	Spot	Buy AUD/USD	15/08/12	1.049	05/09/12	1.020	-2.50%
7	Forward	Buy EUR/DKK 1Y forward	15/08/12	7.4176	24/10/12	7.446	0.38%
3	Option	Enter EUR/NOK calendar spread	09/05/12	7.58	09/11/12	7.305	0.70%
13	Option	Enter 1MAUD/NZD risk reversal	09/10/12	1.2445	09/11/12	1.274	1.51%
5	Option	Enter 3M EUR/USD call spread	15/08/12	1.2280	15/11/12	1.2779	1.39%
10	Spot	Buy EUR/USD (spot hedge to option trade)	14/09/12	1.3034	15/11/12	1.2779	-1.91%
11	Spot	Buy AUD/NZD	15/11/12	1.2733	06/12/12	1.2600	-1.00%
6	Spot	Buy NOK, SEK versus GBP	15/08/12	100.0000	06/12/12	101.0600	1.36%

FX Trade Performance 2012				
	#	Cum Return	Avg Return	Avg Days Open
Profitable	9	16.4%	1.8%	89 days
Loss-Making	6	-6.4%	-1.1%	47 days
All Trades	15	10.0%	0.7%	69 days

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