

Risk aversion continues from yesterday as we approach the weekend.  
Nikkei -3.3%, MICEX (Russia) -4%, DAX futures -1%  
Commodities have remained relatively stable despite the movements in other markets  
WTI and Gold (charts below) have hardly reacted

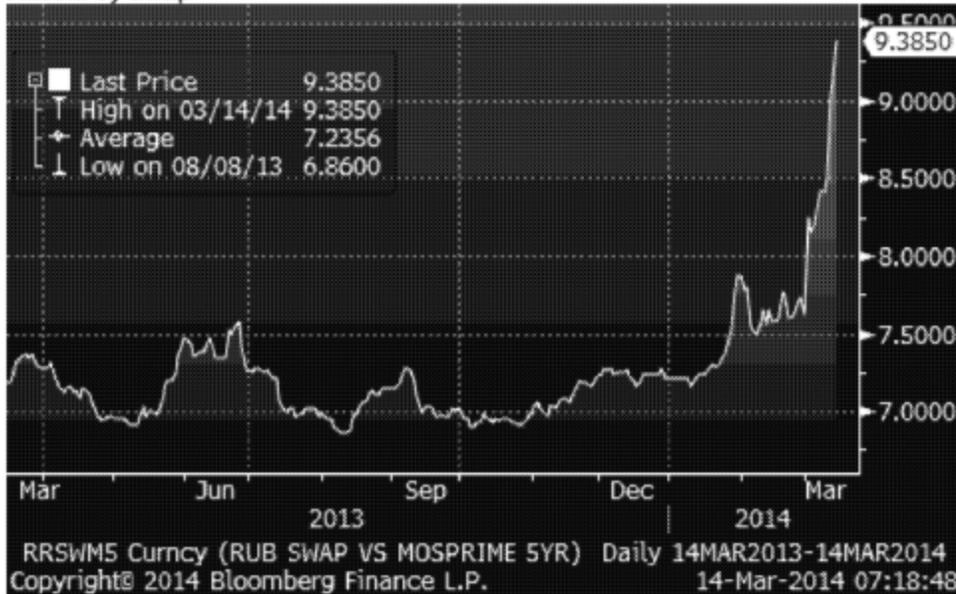
There is increasing nervousness ahead of Sunday's referendum in Crimea.  
G7 leaders said they would not recognize the outcome of the referendum,  
while Russia has maintained that they were prepared to "mirror" any sanctions  
There were reports of Russian military "training exercises" along the border yesterday

Key events to watch today:

- 1) Russian Foreign minister Sergei Lavrov and US Secy of State John Kerry meet in London.  
This is a last-ditch effort to de-escalate the situation
- 2) Central Bank of Russia meeting today at 9:30 where Bloomberg survey expects no change  
Swaps curve is pricing in over a 100bp hike. How will the central bank react to FX pressures?

Ongoing tensions justify a cautious approach into the weekend.  
Tactically go long 1m WTI Calls 101 (\$1) and short DAX

Russia 5y swap



WTI Crude Oil future Apr14