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From: Vanshree Verma/db/dbcom@DBEMEA
To: loop@list.db.com,
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Subject: Markets opening weaker. Kerry and Lavrov meeting today key | KCP Capital Markets [I]

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