

Treasury Sales Team

Alina Elena Vrabioiu

+4021 307 58 17

alina.vrabioiu@otpbank.ro

Irina Ananiese

+4021 307 58 17

irina.ananiese@otpbank.ro

Tania Fantana

+4021 307 58 17

tania.fantana@otpbank.ro

Chief Economist

Gergely Tardos

+36 1 374 7273

tardosg@otpbank.hu

FX/FI Strategist

Levente Pápa

+36 1 354 7490

papal@otpbank.hu



Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	14 054	↓ -0,15	↑ 1,25
S&P500	1 515	↓ -0,09	↑ 0,82
Nasdaq100	2 739	↓ -0,10	↑ 1,00
Russell2000	911	↑ 0,13	↑ 0,63
Stoxx600	290	↑ 0,96	↑ 1,78
DAX	7 742	↑ 0,86	↑ 2,09
FTSE 100	6 361	↑ 0,55	↑ 1,10
CAC40	3 723	↑ 0,85	↑ 2,71
ATX	2 467	↑ 1,33	↑ 3,41
IBEX35	8 230	↑ 1,15	↑ 2,69
Nikkei 225	11 606	↑ 0,41	↑ 1,94
Hang Seng	23 020	↑ 1,96	↑ 0,50
SSEC	2 366	↑ 2,26	↑ 1,70
SENSEX	18 862	↓ -1,52	↓ -2,40
RTS	1 534	↑ 0,25	↓ -0,93
Bovespa	57 424	↑ 0,26	↑ 2,26

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3056	↓ -0,62	↓ -1,00
EUR/CHF	1,2231	↑ 0,17	↓ -0,37
USD/GBP	1,5160	↑ 0,02	↓ -0,61
USD/JPY	92,53	↑ 0,33	↓ -0,61
AUD/USD	1,0212	↓ -0,19	↓ -0,32
USD/CAD	1,0303	↑ 0,76	↑ 1,19

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	15,5	↑ 0,8	↑ 0,3
EMBI+ Spread	287	↑ 12	↑ 30
CDS 5Y PIIS	233	↓ -7	↑ 9
CDS 5Y Italy	231	↓ -6	↑ 24
CDS 5Y Belg.	39	↓ 0	↑ 0
iTraxx 5Y EU	116,4	↓ -1	↑ 2
US TED Spread	17,7	↓ -1	↑ 1

Source: Reuters, OTP Research

Summary

- Europe's major stock markets closed higher but their US peers ended the trading with losses because of the failure to reach agreement on averting automatic spending cuts.
- Europe's macroeconomic data were in line with forecasts.
- In the USA, GDP growth undershot the consensus, but unemployment data beat expectations.

Europe's key stock markets closed in the green on Thursday, partly because both the ECB's and the Fed's head talked about maintaining the monetary easing. The DAX climbed 0.86%, the CAC40 added 0.85%, and the FTSE rose by 0.55%. One of Thursday's losers, Hochtief plunged 7.2% by the end of trading as its quarterly earnings undershot even the management's expectations, even if it operated in the green. In response to the Royal Bank of Scotland report on GBP 5.2 billion annual loss, investors slashed its share price by 6.6%. The Bayer pharmaceutical company benefited 2.7% from a quarterly report that matched forecasts and from plans to boost sales by 4-5% in 2013. Telefonica firmed 2% despite posting a quarterly report that undershot analysts' forecasts.

In the USA, the initial buoyancy vanished by the afternoon as the Senate failed to reach agreement about the USD 85 billion automatic spending cuts that enter into force gradually from 1 March. This made the key stock market indices close in the negative territory: the Dow dropped 0.15%, the S&P sank 0.09%, and the Nasdaq inched down 0.1% in Thursday's trading. Groupon nose-dived 27% as its quarterly report gave account of losses, against the expected gains. The JC Penney chain plummeted 17% after its quarterly figures missed expectations.

The dollar firmed 0.6% against the euro. Gold upped 1.1%, and Brent crude slipped 0.44%.

Asia's stock markets performed mixed this morning.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,25	↑	0	↓	-2
US 10Y	1,89	↑	1	↓	-12
JP 2Y	0,04	↑	0	↑	0
JP 10Y	0,67	↓	-2	↓	-7
GER 2Y	0,07	↓	-1	↓	-11
GER 10Y	1,46	↑	1	↓	-17

CENTRAL BANKS' RATES

	Rate (%)		6M Consensus		1Y Consensus
Fed Funds	0,25	→	0,25	→	0,25
ECB Rate	0,75	↓	0,50	→	0,75
BOE Rate	0,50	→	0,50	→	0,50
BOJ Rate	0,10	→	0,10	→	0,10
SNB Target	0,00	→	0,00	→	0,00

MONEY MARKET

	Rate (%)		Daily chg (bp)		Weekly chg (bp)
US 3M Libor	0,29	→	0	↓	0
US 2Y Swap	0,37	↓	-1	↓	-2
US 5Y Swap	0,91	→	0	↓	-5
EUR 3M Euribor	0,21	↓	0	↓	-1
EUR 2Y Swap	0,44	↓	-3	↓	-11
EUR 5Y Swap	0,90	↓	-6	↓	-16
GB 3M Libor	0,51	→	0	→	0
GB 2Y Swap	0,60	↑	0	↓	0
GB 5Y Swap	1,05	↑	0	↓	-1
JP 3M Libor	0,16	→	0	→	0
JP 2Y Swap	0,21	↑	0	↓	0
JP 5Y Swap	0,27	↑	0	↓	-1
CHF 3M Libor	0,02	→	0	↓	0
CHF 2Y Swap	0,07	↓	0	↓	-4
CHF 5Y Swap	0,40	↓	-1	↓	-6

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	111,4	↓	-0,44	↓	-1,89
Gold	1 580	↓	-1,09	↑	0,26

Source: Reuters, OTP Research

In line with expectations, the Eurozone's January inflation remained at 2%. The ECB's forecast sees inflation to decelerate to near-2% in 2013, and to 1.4% in 2014. Therefore there is no need to rush implementing the monetary tightening, the central bank's head said.

In the USA, GDP grew by 0.1% YoY in the fourth quarter, which significantly lags behind the expected 0.5% increase. The fiscal austerity that kicks in is unlikely to help accelerate economic growth.

Germany's unemployment rate shows a slight increase, the February reading is at 6.9%, as opposed to the estimated 6.8% and in comparison with the January data.

Initial jobless claims in the US decreased to 344,00, from 360,000. Continued jobless claims were down from 3.16 million to 3.07 million people.

The Chicago Purchasing Managers' Index indicates improving economic environment, as its reading was at 56.8 points, overshooting the consensus value of 54.3 points.

Today's publications include retail sale data and Purchasing Managers' Index from Germany, as well as the eurozone's purchasing managers' index, inflation and unemployment rates, in addition to the University of Michigan's consumer confidence index.

	COUNTRY	DATE		FACT	CONSENSUS	PREVIOUS
Thursday	EZ	Jan	CPI (final, %, yoy)	2,0	2,0	2,0
	US	Q4	GDP preliminary (yoy, %)	0,1	0,5	-0,1
	DE	Feb	Unemployment rate (%)	6,9	6,8	6,8
	US	weekly	Initial jobless claims (ths)	344	360	362
	US	weekly	Continued jobless claims (ths)	3 074	3 160	3 148
	US	Feb	Chicago PMI (points)	56,8	54,3	55,6
Friday	DE	Jan	Retail sales (mom, real, %)		1,0	-1,7
	DE	Feb	Markit PMI (point)		50,1	50,1
	EZ	Feb	Markit PMI (point)		47,8	47,8
	EZ	Feb	Inflation (yoy, flash, %)		1,9	2,0
	EZ	Jan	Unemployment rate (%)		11,8	11,7
	US	Feb	University of Michigan sentiment (final, point)		76,3	76,3

Source: Reuters, OTP Research

Chief Economist
Gergely Tardos
tardosg@otpbank.hu
+36 1 374 7273

FX/FI Strategist
Levente Pápa
papal@otpbank.hu
+36 1 354 7490

Fundamental Analyst
Dávid Andor Rác
raczd@otpbank.hu
+36 1 374 7270

Disclaimer

OTP Bank Plc. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This material is only for information purposes and it is not intended as an investment advice, an offer or solicitation for the purchase or sale of any financial instrument, and it does not constitute legal, tax or accounting advice.

Information herein reflects the market situation at the time of writing. It provides only momentary information and may change as market conditions and circumstances develop. Additional information may be available on request. Although the information in this document has been prepared in good faith from sources which OTP Bank believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. Opinions and estimates constitute our judgment and are subject to change without notice. OTP Bank may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments is made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. Any concrete individual decision or investment made based on this publication is the sole risk of the Client and OTP Bank shall not be held responsible for the success of the investment decisions or for attaining the Client's target.

Figures described herein refer to the past and past performance is not a reliable indicator of future results.

OTP Bank Plc. (registered seat: Nádor utca 16., Budapest H-1051, Hungary; Supervisory authority: Hungarian Financial Supervisory Authority (PSZÁF, Pénzügyi Szervezetek Állami Felügyelete – H-1013 Budapest, Krisztina krt. 39.sz.) PSZÁF licence numbers: III/41.003-22/2002 and E-III/456/2008. For more information, please refer to: <https://www.otpbank.hu/portal/hu/Megtakaritas/Ertekpapir/MIFID>). All rights reserved. This publication is exclusively owned by OTP Bank Plc., no part of this material can be reproduced, re-used or disseminated without the prior written consent of OTP Bank Plc.

If you received this document from OTP Bank Plc, then it was sent to you with your previous consent. You may withdraw this permission by sending an e-mail to elemzes@otpbank.hu or writing a letter addressed to "Research Center" Hungary 1051, Budapest Nádor utca. 21. Please refer to your name and e-mail address in both cases.

Disclaimer for OTP Bank Romania S.A. customers

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centred on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to mihaela.neagu@otpbank.ro or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases