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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 303	↓ -0,17	↑ 1,48
S&P500	1 867	↓ -0,29	↑ 1,38
Nasdaq100	3 653	↓ -1,11	↓ -0,26
Russell2000	1 194	↓ -0,44	↑ 0,46
Stoxx600	328	↑ 0,07	↑ 1,76
DAX	9 343	↑ 0,50	↑ 3,16
FTSE 100	6 557	↑ 0,23	↑ 0,45
CAC40	4 335	↑ 0,17	↑ 2,82
ATX	2 475	↑ 0,13	↑ 3,67
IBEX35	10 053	↓ -0,27	↑ 2,46
Nikkei 225	14 475	↑ 1,77	↑ 1,38
Hang Seng	21 784	↑ 1,62	↑ 1,00
SSEC	2 064	↑ 0,79	↑ 1,99
SENSEX	21 995	↑ 0,79	↑ 1,99
RTS	1 136	↓ -1,27	↑ 6,94
Bovespa	47 381	↑ 0,22	↑ 5,02

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3798	↑ 0,05	↓ -0,88
EUR/CHF	1,2187	↑ 0,12	↑ 0,27
USD/GBP	1,6484	↓ -0,12	↓ -0,90
USD/JPY	102,43	↑ 0,20	↑ 0,66
AUD/USD	0,9089	↑ 0,11	↑ 0,03
USD/CAD	1,1230	↑ 0,10	↑ 1,62

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	15,0	↑ 0,5	↓ -2,8
CDS 5Y PIIS	15	↑ 0	↓ -3
CDS 5Y Italy	110	↑ 0	↓ -10
CDS 5Y Belg.	113	↓ -1	↓ -7
iTraxx 5Y EU	27,0	↑ 0	↑ 0
US TED Spread	78,5	↓ -2	↑ 2

Source: Reuters, OTP Research

Summary

- Developed market's equity indices moved mixed on the last trading day of the week.
- Asia's major indices started this week with gains.
- In contrast with the expected increase, China's manufacturing PMI fell to 48.1 in March.

Western Europe's stock markets opened brightly on Friday. The key benchmarks preserved their earlier gains; the DAX gained 0.5%, and the Footsie and the CAC40 added 0.2% each. Commodities were the winners of the day in London: Anglo American advanced 2%, and Royal Dutch Shell rallied 0.5%. Burberry Group was one of the losers, as it shed 2.1% on news that the Bank of America Merrill Lynch cut its respective recommendation from Buy to Neutral.

US trading also started optimistically, but indices lost steam as the close approached, and ended 0.2-1.1% lower. Of the S&P's sector indices, healthcare was the weakest on Friday, with 1.8% decline. Utilities was the strongest sector index, with 0.8% increase. Of the Dow's components, Wal-Mart saw the steepest growth on Friday (+1%). The financial sector's stocks were in poor health: the Bank of America dipped 2%, Goldman Sachs declined 1.3%, and Morgan Stanley dropped by 0.6%. The Dow's worst performing component was sports manufacturer Nike, shrinking 5.1% on Friday.

Commenting on Wednesday's press conference of the Fed's chair (who hinted that interest rate hike may come roughly six months after the end of the bond purchase programme), Fed official James Bullard said on Friday that this should not have been anything new for markets. He pointed out that the Fed's new chair reiterated only the existing market expectations when she had said that interest rate hikes might begin in roughly six months after the asset purchase programme ends.

Asia's key indices closed higher this morning. The weaker-than-expected manufacturing purchasing managers' index from China could not sour the benign investment sentiment. The gains may have stemmed from market views that China's leaders should step up stimuli to boost the economy if they are really committed to this year's 7.5% economic growth. The Shanghai Composite rose by 0.8%, and the Hang Seng CE soared 2.7%. Japan's stock markets also fared well this morning (+1.5-1.7%), after last Friday's non-trading day.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,45	↑	1	↑	10
US 10Y	2,76	↓	-1	↑	12
JP 2Y	0,08	↑	0	↓	-1
JP 10Y	0,61	↓	-1	↓	-1
GER 2Y	0,19	→	0	↑	6
GER 10Y	1,64	→	0	↑	11

CENTRAL BANKS' RATES

	Rate (%)		6M Consensus		1Y Consensus
Fed Funds	0,25	→	0,25	→	0,25
ECB Rate	0,25	→	0,25	→	0,25
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	0,23	↓	0	↓	0
US 2Y Swap	0,56	↑	2	↑	8
US 5Y Swap	1,80	↑	3	↑	18
EUR 3M Euribor	0,32	↑	0	↑	1
EUR 2Y Swap	0,52	↑	0	↑	4
EUR 5Y Swap	1,03	↓	-2	↑	5
GB 3M Libor	0,52	→	0	↑	0
GB 2Y Swap	1,01	→	0	↓	-1
GB 5Y Swap	2,01	↓	0	↓	-2
JP 3M Libor	0,14	→	0	↓	0
JP 2Y Swap	0,18	↓	-1	↓	-1
JP 5Y Swap	0,30	↓	0	↓	-2
CHF 3M Libor	0,03	↑	0	↑	1
CHF 2Y Swap	0,08	→	0	↑	1
CHF 5Y Swap	0,50	↓	0	↑	4

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	106,6	↓	-0,30	↑	0,34
Gold	1 326	↓	-0,57	↓	-2,93

Source: Reuters, OTP Research

On Friday, Moody's cut Croatia's non-investment-grade Ba1 sovereign bond rating from Stable to Negative, implying that a downgrade might follow. The rationale cited the Croatian economy's weak medium-term growth outlook, the slow reduction of its budget gap, and the country's significant external debt service burden.

In another move, Moody's improved Cyprus' outlook to positive, up from negative; confirming the Caa3/Not-Prime rating on Cyprus' long-term and short-term debt obligations. The rating agency pointed out that Cyprus' real economy and budget performances were both better than had been thought.

The HSBC manufacturing purchasing managers' index on China sank to 48.1, down from 48.5 in the previous month. Analysts had forecast an increase.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	EZ	Mar	Consumer Confidence Indicator, flash (points)		-12,4	-12,7
Monday	CN	Mar	HSBC manufacturing PMI (flash, point)	48,1	-	48,5
	FR	Mar	Markit manufacturing PMI (flash, point)		49,8	49,7
	FR	Mar	Markit services PMI (flash, point)		47,5	47,2
	DE	Mar	Markit manufacturing PMI (flash, point)		54,6	54,8
	DE	Mar	Markit services PMI (flash, point)		55,5	55,9
	EZ	Mar	Markit manufacturing PMI (flash, point)		53,0	53,2
	EZ	Mar	Markit services PMI (flash, point)		52,6	52,6
	US	Mar	Markit manufacturing PMI (flash, point)		57,0	57,1

Source: Reuters, OTP Research

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