

Treasury Sales Team

Headquarter Treasury Sales

Alexandru Tibuleac
0372 31 85 85
alexandru.tibuleac@otpbank.ro

Cristian Ilie
0372 31 85 86
ilie.cristian@otpbank.ro

Corina Bejan
0372 31 85 84
corina.bejan@otpbank.ro

Alina Gheorghita
0372 31 85 83
alina.gheorghita@otpbank.ro

Andreea Nica
0755 000 106
andreea.nica@otpbank.ro

Regional Treasury Sales

Szilamer Kozma - Cluj
0755 000 400
szilamer.kozma@otpbank.ro

Tudor Zaman - Bucuresti
0755 000 199
tudor.zaman@otpbank.ro

Laura Sirbu - Bucuresti
0729 963 540
laura.sirbu@otpbank.ro

Alexandru Sabin - Arad
0730 577 959
alexandru.sabin@otpbank.ro



Daily Report – Global Markets

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|-------------|--------|----------------|-----------------|
| DJIA | 16 070 | ↑ 0,79 | ↑ 1,18 |
| S&P500 | 1 893 | ↑ 0,55 | ↑ 1,30 |
| Nasdaq100 | 4 186 | ↑ 1,39 | ↑ 1,05 |
| Russell2000 | 1 003 | ↑ 0,05 | ↓ -1,70 |
| Stoxx600 | 335 | ↓ -1,57 | ↑ 1,94 |
| DAX | 9 640 | ↓ -2,44 | ↑ 0,68 |
| FTSE 100 | 5 932 | ↓ -0,98 | ↑ 2,74 |
| CAC40 | 4 322 | ↓ -1,33 | ↑ 2,75 |
| ATX | 2 129 | ↓ -0,40 | ↑ 2,29 |
| IBEX35 | 8 591 | ↓ -1,72 | ↑ 1,73 |
| Nikkei 225 | 17 518 | ↑ 2,80 | ↑ 3,30 |
| Hang Seng | 19 616 | ↑ 2,19 | ↑ 2,80 |
| SSEC | 2 753 | ↑ 3,68 | ↓ -5,59 |
| SENSEX | 24 688 | ↑ 0,89 | ↓ -0,60 |
| RTS | 727 | ↑ 3,16 | ↑ 15,03 |
| Bovespa | 38 630 | ↑ 0,66 | ↑ 2,42 |

FX MARKET

| | Close | Daily chg. (%) | Weekly chg. (%) |
|---------|--------|----------------|-----------------|
| EUR/USD | 1,0937 | ↑ 0,42 | ↑ 1,07 |
| EUR/CHF | 1,1089 | ↑ 0,30 | ↑ 1,08 |
| USD/GBP | 1,4357 | ↑ 0,90 | ↑ 0,66 |
| USD/JPY | 120,58 | ↑ 1,49 | ↑ 1,52 |
| AUD/USD | 0,7124 | ↑ 0,56 | ↑ 1,77 |
| USD/CAD | 1,3992 | ↓ -0,25 | ↓ -0,87 |
| USD/RUB | 75,55 | ↓ -1,02 | ↓ -3,26 |

RISK INDICATORS

| | Close | Daily chg (bp) | Weekly chg (bp) |
|---------------|-------|----------------|-----------------|
| VIX | 22,4 | ↓ -0,7 | ↓ -4,3 |
| CDS 5Y PIIS | 22 | ↓ -0,3 | ↓ -6,2 |
| CDS 5Y Italy | 98 | ↑ 0,4 | ↓ -6,4 |
| CDS 5Y Belg. | 98 | ↑ 2,2 | ↑ 2,2 |
| iTraxx 5Y EU | 29,1 | ↓ -0,3 | ↓ -6,7 |
| US TED Spread | 91,7 | ⇒ 0,0 | ↓ -5,1 |

Source: Reuters, OTP Research

Summary

- Sellers dominated Western Europe's stock markets on Thursday.
- Oil prices grew on the back of news that was later found inaccurate.
- The Bank of Japan cut its key policy rate into negative territory (-0.1%).

Sellers dominated Western Europe's stock markets in yesterday's trading. The German index saw the sharpest fall (-2.44%); the CAC40 (-1.33%) and the FTSE100 (-0.98%) also ended in the red on Thursday. Within the DAX, nose-diving 5% made Deutsche Bank the loser of the day. Another German bank, Commerzbank also plunged 2.82% owing to the huge loss in its Q4 report.

US markets were driven by Wednesday's Fed meeting and the change in oil prices. Energy stocks benefited from higher crude prices. Growing 1.39% made the NASDAQ100 the strongest index, followed by the Dow (+0.79%), the S&P500 (+0.55%) and the Russell2000 (+0.05%). Microsoft's report, published after market close, posted USD 25.7 billion revenue (exceeding analysts' forecast of USD 25.25 billion) and USD 0.78 earnings per share (topping the estimated USD 0.71). Despite posting all-time high earnings, Amazon's profits missed analysts' expectations, therefore its stock price dived 13% in after-hours trading.

Asia's indices fared well this morning. The Shanghai Composite surged 3.09%, the Hang Seng soared 2.66%, and the Nikkei225 rallied 2.8%. The sentiment may have benefited from the Bank of Japan's rate-setting meeting and the People's Bank of China's 100-billion-yuan (about USD 15 billion) liquidity boosting measure.

Oil prices increased yesterday on the back of new information that Saudi Arabia proposed a 5% cut in oil production to OPEC members and to discuss production issues with Russia. But OPEC's spokesman rushed to refute this information yesterday. This eased oil prices somewhat but it still closed higher. The Brent opened on a strong note, at 35 USD/barrel.

The EUR's firming against the key currencies continued.

| GOV'T BOND MARKET | | | | |
|-------------------|-----------|----------------|-----------------|----|
| | Yield (%) | Daily chg (bp) | Weekly chg (bp) | |
| US 2Y | 0,83 | ↓ 0 | ↓ | -2 |
| US 10Y | 1,99 | ↓ -1 | ↓ | -5 |
| JP 2Y | -0,02 | ↑ 1 | ↓ | -1 |
| JP 10Y | 0,22 | ↑ 0 | ↓ | -2 |
| GER 2Y | -0,45 | ↑ 0 | ↓ | -4 |
| GER 10Y | 0,43 | ↓ -2 | ↓ | -7 |

| CENTRAL BANKS' RATES | | | | |
|----------------------|----------|--------------|--------------|-------|
| | Rate (%) | 6M Consensus | 1Y Consensus | |
| Fed Funds | 0,5 | ↑ 0,75 | ↑ | 1,25 |
| ECB Rate | 0,05 | ⇒ 0,05 | ⇒ | 0,05 |
| BOE Rate | 0,50 | ↑ 0,75 | ↑ | 1,00 |
| BOJ Rate | 0,10 | ⇒ 0,10 | ⇒ | 0,10 |
| SNB Target | -0,75 | ⇒ -0,75 | ⇒ | -0,75 |

| MONEY MARKET | | | | |
|----------------|----------|----------------|-----------------|-----|
| | Rate (%) | Daily chg (bp) | Weekly chg (bp) | |
| US 3M Libor | 0,00 | ↓ 0 | ↓ | 0 |
| US 2Y Swap | 0,82 | ↓ -5 | ↓ | -8 |
| US 5Y Swap | 1,27 | ↓ -7 | ↓ | -13 |
| EUR 3M Euribor | -0,16 | ↓ 0 | ↓ | -1 |
| EUR 2Y Swap | -0,15 | ↓ -1 | ↓ | -1 |
| EUR 5Y Swap | 0,10 | ↓ -1 | ↓ | -4 |
| GB 3M Libor | 0,00 | ⇒ 0 | ↓ | 0 |
| GB 2Y Swap | 0,85 | ↓ -1 | ↓ | -10 |
| GB 5Y Swap | 1,26 | ↓ -2 | ↑ | 2 |
| JP 3M Libor | 0,00 | ↑ 0 | ↑ | 0 |
| JP 2Y Swap | -0,02 | ↓ -10 | ↓ | -10 |
| JP 5Y Swap | 0,03 | ↓ -10 | ↓ | -11 |
| CHF 3M Libor | 0,00 | ↑ 0 | ↑ | 0 |
| CHF 2Y Swap | -0,75 | ↑ 0 | ↑ | 5 |
| CHF 5Y Swap | 0,00 | ↑ 2 | ↑ | 4 |

| COMMODITIES | | | |
|-------------|-------|----------------|-----------------|
| | Close | Daily chg. (%) | Weekly chg. (%) |
| Oil Brent | 34,7 | ↑ 2,24 | ↑ 7,68 |
| Gold | 1 115 | ↓ 0,00 | ↑ 1,53 |

Source: Reuters, OTP Research

In line with expectations, UK GDP rose by 0.5% in quarter/quarter comparison and by 1.9% year/year in the fourth quarter of 2015, the preliminary data show.

In today's rate-setting meeting, the Bank of Japan cut its key policy rate into negative territory (-0.1%) but the deposit rate remained in positive territory.

The eurozone's January inflation data are due out later today.

Today the United States will publish the preliminary QoQ GDP reading, which is expected to largely undershoot the pace of Q3 growth.

| | COUNTRY | DATE | INDICATOR | FACT | CONSENSUS | PREVIOUS |
|----------|---------|------|--|-------|-----------|----------|
| Thursday | JP | Dec | Consumer price index (yoy, %) | 0,2 | - | 0,3 |
| | JP | Dec | Industrial output (preliminary, mom, %) | -1,4 | -0,3 | -0,9 |
| | UK | Q4 | GDP (preliminary, qoq, %) | 0,5 | 0,5 | 0,4 |
| | UK | Q4 | GDP (preliminary, yoy, %) | 1,9 | 1,9 | 2,1 |
| | EZ | Jan | European Commission economic sentiment (point) | 105,0 | 106,4 | 106,8 |
| | DE | Jan | Consumer price index (preliminary, yoy, %) | 0,5 | 0,5 | 0,3 |
| | US | Dec | Durable goods (mom, %) | -5,1 | -0,6 | 0,0 |
| | US | Dec | Pending home sales (mom, %) | 0,1 | 0,8 | -0,9 |
| Friday | JP | Jan | Interest Rate Decision (%) | -0,1 | - | 0,1 |
| | EZ | Jan | CPI (preliminary, yoy, %) | | 0,4 | 0,2 |
| | EZ | Jan | Core CPI (preliminary, yoy, %) | | 0,9 | 0,8 |
| | US | Q4 | GDP (flash, qoq, %) | | 0,8 | 2,0 |
| | US | Jan | Chicago PMI (point) | | 45 | 42,9 |

Source: Reuters, OTP Research

Chief Economist

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

Fundamental Analyst

Beáta Váradi
varadibe@otpbank.hu
+36 1 374 7271

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