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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 964	↓ -0,64	↑ 0,59
S&P500	1 979	↓ -1,12	↑ 0,05
Nasdaq100	4 266	↓ -0,88	↓ -1,57
Russell2000	1 068	↓ -2,40	↑ 0,21
Stoxx600	337	↓ -1,01	↓ -0,37
DAX	9 693	↓ -0,88	↓ -0,25
FTSE 100	6 125	↓ -0,92	↓ -0,45
CAC40	4 404	↓ -0,86	↓ -0,06
ATX	2 237	↑ 0,19	↑ 2,06
IBEX35	8 740	↓ -0,53	↑ 1,50
Nikkei 225	16 642	↓ -0,84	↓ -0,62
Hang Seng	19 990	↓ -0,11	↓ -0,07
SSEC	2 863	↓ -1,34	↑ 0,45
SENSEX	24 607	↓ -0,21	↓ -0,60
RTS	839	→ 0,00	↑ 6,72
Bovespa	49 102	↓ -0,29	↑ 11,29

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1009	↓ -0,03	↑ 1,03
EUR/CHF	1,0962	↓ -0,02	↑ 1,11
USD/GBP	1,4214	↓ -0,34	↑ 0,98
USD/JPY	112,50	↓ -0,10	↓ -0,84
AUD/USD	0,7430	↓ -0,11	↑ 1,88
USD/CAD	1,3424	↑ 0,13	↑ 0,07
USD/RUB	72,34	↓ -0,91	↓ -1,40

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	18,7	↑ 1,3	↑ 1,0
CDS 5Y PIIS	19	↑ 0,5	↓ -13,3
CDS 5Y Italy	119	↓ -0,9	↓ -9,8
CDS 5Y Belg.	114	↑ 0,8	↑ 0,0
iTraxx 5Y EU	34,6	↑ 1,5	↓ -3,6
US TED Spread	91,4	→ 0,0	↑ 2,1

Source: Reuters, OTP Research

Summary

- Tuesday's trading was rather gloomy on both sides of the Atlantic.
- Goldman Sachs expects oil prices to fluctuate in the USD 20-40 range this year.
- Citigroup's investment banking division's revenues may be much worse than a year ago, the CFO warned.

The sentiment on Europe's and America's stock markets was rather negative on Tuesday. The Stoxx600 shed 1%, the DAX sank 0.9%, the CAC40 and the FTSE100 eased 0.9% each. The Allianz insurance company is to sue Volkswagen for damages, owing to the huge fall in share prices, claiming that VW was late to inform its clients, including the insurance company, about the diesel scandal.

In the USA, the DJIA was 0.6% down, the S&P500 slipped 1.1%, NASDAQ100 lost 0.9%, and the Russel2000 fell 2.4%. On the secondary markets US yields dropped yesterday, on both the short and long terms. Citigroup's CEO warned that the investment banking business' revenues may fall by as much as 25% year/year in Q1. He also expressed worries that non-trading fields may also post lower revenues.

After Tuesday's poor data from China, Asia's stock markets opened lower today. The Nikkei sank 0.8%, the Hang Seng inched down 0.1%, and the SSEC decreased by 1.3%.

Oil prices were rather volatile yesterday. The up moves made by early afternoon were fully eroded by the evening, when the Brent closed below 40 USD/barrel again. This morning it was seen 0.7% higher. Analysts at Goldman Sachs think the current increase on commodity markets is temporary, and they forecast 20% lower iron ore and aluminium prices in the next twelve months. They expect oil price to rise and fall between USD 20 and 40.

Tuesday's trading on currency markets was not volatile. The EUR/USD practically flat-lined; the GBP's 0.3% gain versus the USD was the only noticeable move.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,87	↓ -4	↑ 4
US 10Y	1,83	↓ -8	↑ 1
JP 2Y	-0,22	↓ -2	↑ 1
JP 10Y	-0,09	↓ -5	↓ -5
GER 2Y	-0,55	↓ 0	↑ 2
GER 10Y	0,21	↓ -1	↑ 10

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	0,90	↑ 2	↑ 3
US 5Y Swap	1,26	↑ 2	↑ 5
EUR 3M Euribor	-0,22	↓ -1	↓ -1
EUR 2Y Swap	-0,21	↑ 1	↑ 0
EUR 5Y Swap	0,00	↑ 0	↓ 0
GB 3M Libor	0,00	↓ 0	↓ -1
GB 2Y Swap	0,77	↓ -2	↑ 3
GB 5Y Swap	0,97	↓ -6	↑ 7
JP 3M Libor	0,00	↓ 0	↓ 0
JP 2Y Swap	-0,15	↑ 1	↑ 3
JP 5Y Swap	-0,11	↑ 3	↑ 2
CHF 3M Libor	0,00	→ 0	↑ 0
CHF 2Y Swap	-0,86	↑ 1	↑ 4
CHF 5Y Swap	-0,68	↓ -2	↑ 2

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	39,9	↑ 0,68	↑ 8,10
Gold	1 257	↓ -0,33	↑ 1,34

Source: Reuters, OTP Research

China's exports contracted by 25% year/year in February (in USD terms), extending the 11% year/year fall in January, and exceeding analysts' consensus by a large margin. Analysts attribute part of the huge fall in exports to the distortion caused by the Chinese Lunar New Year. Accordingly, the March export data are likely to swing in the other direction. Imports also undershot expectations, but dropped by 14% year/year only.

German industrial production statistics unexpectedly grew 3.3% year/year in January.

The eurozone's revised Q4 GDP statistics have been released. The year/year figure was revised to 1.6%, barely changing from the first release.

Some of the few data due out today are CPI from the Czech Republic, industrial production from the UK, and wholesale inventories from the USA.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	CH	Feb	Export (yoy, %)	-25,4	-12,5	-11,2
	CH	Feb	Import (yoy, %)	-13,8	-10,0	-18,8
	EZ	Q4	GDP, revised (qoq, %)	0,3	0,3	0,3
	EZ	Q4	GDP, revised (yoy, %)	1,6	1,5	1,5
	DE	Jan	Industrial output (yoy, %)	3,3	0,5	-1,2
Wednesday	CZ	Feb	CPI (YoY, %)		-	0,6
	UK	Jan	Industrial output (yoy, %)		0,6	-1,1
	US	Jan	Wholesale inventories (mom, %)		-0,1	-0,1

Source: Reuters, OTP Research

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