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Daily Report – Global Markets



STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 995	↓ -0,03	↑ 0,30
S&P500	1 990	↑ 0,02	↓ -0,19
Nasdaq100	4 287	↓ -0,15	↓ -0,90
Russell2000	1 064	↓ -0,82	↓ -1,66
Stoxx600	334	↓ -1,66	↓ -1,74
DAX	9 498	↓ -2,31	↓ -2,60
FTSE 100	6 037	↓ -1,78	↓ -1,53
CAC40	4 350	↓ -1,70	↓ -1,49
ATX	2 229	↓ -0,84	↑ 0,78
IBEX35	8 767	↑ 0,07	↓ 0,00
Nikkei 225	16 939	↑ 0,51	↓ -0,45
Hang Seng	20 140	↑ 0,78	↓ -0,18
SSEC	2 804	↓ -0,02	↓ -2,44
SENSEX	24 640	↑ 0,07	↓ -0,60
RTS	834	↓ -0,17	↑ 4,47
Bovespa	49 571	↑ 1,86	↑ 5,04

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1176	↑ 1,60	↑ 1,62
EUR/CHF	1,1006	↑ 0,33	↑ 0,71
USD/GBP	1,4275	↑ 0,42	↑ 0,35
USD/JPY	113,48	↑ 0,27	↓ -0,24
AUD/USD	0,7495	↑ 0,59	↑ 0,74
USD/CAD	1,3257	↓ -0,65	↓ -0,42
USD/RUB	70,72	↓ -1,04	↓ -1,67

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	18,1	↓ -0,3	↑ 1,4
CDS 5Y PIIS	18	↓ -5,7	↓ -5,7
CDS 5Y Italy	113	↓ -8,8	↓ -10,9
CDS 5Y Belg.	105	↓ -0,5	↓ -0,4
iTraxx 5Y EU	34,1	↓ -0,6	↓ -4,5
US TED Spread	90,8	⇒ 0,0	↓ -4,3

Source: Reuters, OTP Research

Summary

- The ECB has further eased monetary conditions.
- Western Europe's key indices closed in the red on Thursday.
- US markets barely changed in yesterday's trading.

Thursday's most important market moving event was the European Central Bank Governing Council's meeting. As widely expected, monetary conditions were further eased, but its extent has somewhat surpassed expectations. The benchmark rate was reduced to 0% (from 0.05%), and overnight deposit rates were lowered to -0.4% (from -0.3%). The conditions of the quantitative easing programme were also modified: the monthly purchase volumes will be augmented to EUR 80 billion (from 60 mn), starting from April. The ECB will extend its purchases to investment-grade, non-banking, euro-denominated bonds, and hold four more liquidity loan auctions (TLTROs) from June.

Western Europe's markets lacked a single direction in early trading hours, as investors waited until the afternoon to see what the ECB decision holds for them. The post-meeting sudden surge in indices soon ran out of steam, when ECB President Mario Draghi said that no further rate cuts were planned. In Germany, most of the DAX's components closed in the red. Adidas was the top performer, closing 1.3% higher. The loser of the day, the artificial fertilizer company K+S dived more than 10.4%. The CAC40 shed 1.7% and the FTSE100 slipped 1.78% on Thursday. Europe's stock markets opened on a stronger note today.

US markets were less driven by the ECB's decision, thus its indices were quick to reverse the morning's losses. The Dow, the S&P500, and the NASDAQ100 made subtle moves; the Russel2000 dropped by 0.8%.

The euro made inroads against the dollar yesterday. The ECB's decision triggered a sudden fall in the EUR/USD, but the pair ricocheted, to end 1.6% higher. The USD could make gains versus the JPY and the GBP. The EUR/USD was seen dropping this morning.

Asia's markets edged higher this morning. The Hang Seng in Hong Kong was its strongest performer, gaining 1%. China's Shanghai Composite edged 0.2% higher, and Japan's Nikkei upped by 0.51%.

Gold and silver shone brightly yesterday, advancing 1.4% and 1.8% respectively.

Following the steady up moves made in recent days, oil price slipped again. The Brent oil sank to near USD 40, but crude oil prices rose again this morning.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,93	↑	4	↑	8
US 10Y	1,93	↑	6	↑	10
JP 2Y	-0,17	↑	2	↑	4
JP 10Y	0,00	↑	2	↑	2
GER 2Y	-0,53	↑	3	↑	1
GER 10Y	0,24	↑	4	↑	2

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	0,97	↑	1	↑	7
US 5Y Swap	1,35	↑	1	↑	7
EUR 3M Euribor	-0,23	↓	-1	↓	-2
EUR 2Y Swap	-0,13	↑	2	↑	7
EUR 5Y Swap	0,06	↑	5	↑	6
GB 3M Libor	0,00	↑	0	↓	0
GB 2Y Swap	0,80	↑	3	↑	4
GB 5Y Swap	1,07	↑	5	↑	11
JP 3M Libor	0,00	↑	0	↑	0
JP 2Y Swap	-0,12	↑	0	↑	4
JP 5Y Swap	-0,07	↓	0	↑	4
CHF 3M Libor	0,00	↑	1	↑	2
CHF 2Y Swap	-0,76	↑	11	↑	15
CHF 5Y Swap	0,00	↑	7	↑	12

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	40,7	↑	1,72	↑	5,22
Gold	1 269	↓	-0,14	↑	0,81

Source: Reuters, OTP Research

Germany's final year-on-year CPI figure, published today, was 0%, in line with expectations.

Today's rate-setting meeting in Poland is unlikely to change the benchmark rate.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	FR	Jan	Industrial output (mom, %)	1,3	0,8	-1,6
	DE	Jan	Exports (mom, %)	-0,5	0,5	-1,6
	CN	Feb	Consumer price index (yoy, %)	2,3	1,9	1,8
	EZ	Mar	ECB deposit rate (%)	-0,4	-0,4	-0,3
	EZ	Mar	ECB interest rate decision (%)	0,0	0,05	0,05
Friday	DE	Jan	CPI (%)	0,0	0,0	0,0
	PL	Mar	Base Rate (%)		1,5	1,5

Source: Reuters, OTP Research

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