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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 577	↑ 0,20	↓ -1,21
S&P500	2 048	↑ 0,28	↓ -1,21
Nasdaq100	4 473	↓ -1,56	↓ -0,24
Russell2000	1 097	↓ -1,04	↓ -1,82
Stoxx600	332	↑ 1,15	↓ -0,39
DAX	9 622	↑ 0,96	↓ -1,76
FTSE 100	6 204	↑ 1,10	↑ 0,95
CAC40	4 303	↑ 1,35	↓ -0,44
ATX	2 241	↑ 1,40	↓ -1,12
IBEX35	8 428	↑ 1,62	↓ -2,03
Nikkei 225	15 751	↓ -0,44	↓ -2,31
Hang Seng	20 436	↑ 0,32	↓ -0,31
SSEC	3 043	↑ 1,96	↑ 1,13
SENSEX	24 646	↓ -0,11	↓ -0,60
RTS	879	↑ 2,31	↑ 1,99
Bovespa	50 293	↑ 3,67	↓ -0,53

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1399	↑ 0,21	↑ 0,15
EUR/CHF	1,0868	↓ -0,05	↓ -0,44
USD/GBP	1,4122	↑ 0,48	↓ -0,98
USD/JPY	107,89	↓ -0,13	↓ -3,07
AUD/USD	0,7552	↑ 0,03	↓ -0,66
USD/CAD	1,2990	↑ 0,03	↓ -0,73
USD/RUB	66,92	↓ -0,31	↓ -2,38

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	15,4	↓ -0,8	↑ 2,3
CDS 5Y PIIS	15	↑ 3,0	↑ 8,9
CDS 5Y Italy	122	↑ 1,2	↑ 9,6
CDS 5Y Belg.	120	↓ -0,8	↓ -0,1
iTraxx 5Y EU	36,3	⇒ 0,0	⇒ 0,0
US TED Spread	0,0	⇒ 0,0	↑ 0,3

Source: Reuters, OTP Research

Summary

- Friday's sentiment was modestly positive in Europe, and mixed in the USA.
- Banking shares jumped high on Friday in Italy, where plans are considered to help banks reduce their NPLs.
- The euro firmed 0.2% versus the USD.

In Friday's modestly optimistic trading on global stock markets, the Stoxx600 closed 1.15% higher, the DAX advanced 1%, the CAC40 gained 1.35%, the FTSE upped 1.1%, and Italy's FTSE MIB surged 4.2%. The latter's excellent performance stems from news on the planned state help to Italian banks to reduce the size of their non-performing loan book. Accordingly, Unicredit's stock price jumped 9.7% higher, and nearly all Italian banks saw their share price soaring 7-10% on Friday.

According to an estimate by the GB-based NIESR, the United Kingdom's economy may have expanded by 0.3% in the first quarter of 2016 – this is the worst performance since 2012 and is only half of the 2015 performance. The weakness can be put down to the slow global economic growth and the negative effects of Brexit fears.

In the USA, the S&P500 rose by 0.3%, the Dow climbed 0.2% higher, and the NASDAQ inched up 0.1%. Despite Friday's up moves, America's stock markets posted their worst week since February; the Dow lost 1.2% on average last week, the worst median since February.

Analysts polled by Reuters estimate that American banks' performance, to be reflected by the forthcoming earnings reports, may be the worst since 2007-2008. These economists expect the USA's six largest banks to post an average contraction of 20%.

Asia's stock markets traded mixed this morning. The Nikkei shed 0.4%, the Hang Seng upped 0.3%, and the SSEC increased by 2%.

In Friday's trading the Brent's price increased by 2.3%, but this morning it dropped 0.2%. Iraq boosted its oil production to 4.66 million barrels in March, up from February's record high of 4.55 million barrels, right ahead of the 17 April Qatar OPEC meeting on limiting production. India is planning to invest USD 20 billion in Iran's oil sector and the related infrastructure, in order to be able to import oil from Iran on preferential terms.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,71	↓ 0	↓ -3
US 10Y	1,73	↑ 3	↓ -3
JP 2Y	-0,24	↓ -1	↓ -3
JP 10Y	-0,08	↓ -2	↓ -2
GER 2Y	-0,50	↓ -1	↓ -1
GER 10Y	0,10	↓ -1	↓ -5

CENTRAL BANKS' RATES

	Rate (%)	6M Consensus	1Y Consensus
Fed Funds	0,5	↑ 0,75	↑ 1,25
ECB Rate	0,00	↑ 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	0,63	↓ 0	↑ 0
US 2Y Swap	0,83	↓ -1	↓ -2
US 5Y Swap	1,13	↑ 1	↓ -4
EUR 3M Euribor	-0,25	↓ 0	↓ 0
EUR 2Y Swap	-0,17	↑ 1	↓ -1
EUR 5Y Swap	-0,01	↓ -1	↓ -2
GB 3M Libor	0,59	↑ 0	↑ 0
GB 2Y Swap	0,75	↑ 1	↓ -1
GB 5Y Swap	0,93	↑ 2	↓ -6
JP 3M Libor	-0,01	↓ 0	↓ -1
JP 2Y Swap	-0,15	↓ 0	↓ -1
JP 5Y Swap	-0,11	↓ 0	↓ -3
CHF 3M Libor	-0,73	→ 0	↑ 0
CHF 2Y Swap	-0,75	↑ 1	↓ -2
CHF 5Y Swap	-0,58	↑ 1	↓ -2

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	41,9	↓ -0,21	↑ 11,04
Gold	1 249	↑ 0,71	↑ 2,81

Source: Reuters, OTP Research

Today Germany published the month/month February exports figure, the growth of which (1.3%) surpassed expectations (0.6%). It was also in sync with the earlier published favourable industrial production figure. Romania's GDP grew by 3.8% year/year in the fourth quarter of 2015. Britain's industrial production contracted by a worse-than-expected 0.3% in February, substantiating the NIESR research institute's finding that Britain's economy saw its worst quarter since 2012. Shrinking by 0.5% month on month in February, US wholesale inventories also missed expectations.

Matching the February figure, China's inflation was 2.3% year on year, which corresponds to 0.4% month/month contraction.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	DE	Feb	Export (mom, %)	1,3	0,6	-0,5
	RO	Q4	GDP (final, yoy, %)	3,8	-	3,6
	UK	Feb	Industrial production (mom, %)	-0,3	0,1	0,3
	US	Feb	Wholesale Inventories (mom, %)	-0,5	-0,1	0,2
Monday	CN	Mar	CPI (mom, %)	-0,4	-0,3	1,6
	CN	Mar	CPI (yoy, %)	2,3	2,5	2,3
	CZ	Mar	CPI (yoy, %)		0,4	0,5
	PL	Mar	CPI (yoy, %)		-	-0,8
	UK	Mar	Retail sales (yoy, %)		-	0,1
	IT	Feb	Industrial production (yoy, %)		-0,7	1,9

Source: Reuters, OTP Research

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