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# Global Daily Report

### Summary

- The Fed has raised interest rates, but its monetary tightening will not be more aggressive than expected
- On the back of the news, the USD weakened, US yields fell; stock markets and gold prices rose
- In the Netherlands, the EU sceptic and xenophobic PVV party did worse than expected at the parliamentary elections.

On Wednesday stock markets waited for the Fed rate decision and the Dutch parliamentary elections; Europe's stock markets barely changed during the day. As expected, the Federal Reserve hiked its benchmark interest rate on Wednesday evening, but markets opine that the tightening cycle will not be more aggressive than had been thought. This helped the advance of US stock indices and weakened the USD. The sentiment in Asia's trading was positive.

Just before the publication of the carmaker's annual report, German authorities searched Audi offices at a number of plants to find out what top management knew about the manipulation of diesel engines' emission data. Volkswagen group's stock prices reversed 0.8%.

As a consequence of the communication accompanying the Fed fund rate hikes, the USD weakened against the key currencies, and American bond yields fell. The 2Y US bond yield, a good proxy of the likely direction of America's monetary policy, dropped six basis points. The EUR's appreciation versus the USD may have benefited from the news about the Dutch parliamentary election.

The US rate decision boosted precious metal prices as well: gold and silver rallied 1.6% and 2.7% respectively after the Fed's move. Reversing from last week's sharp fall, oil prices are creeping higher: the Brent climbed from Tuesday's intraday low of nearly 50 USD/barrel to 52 USD/barrel. For the first time this year, US inventory data signified reduction. Iraq announced to boost production from the current 4.7 million barrel/day to 5 million by the end of the year.

Of the macroeconomic statistics released in recent days, the eurozone industrial production figure was disappointing, probably mainly because of the Italian industry's ailing in January. However, the ZEW sentiment index matched forecasts. In America, February inflation rose in line with projections.

In the Netherlands, the EU sceptic and xenophobic PVV party did worse than expected at the parliamentary elections, while the centre right party of Prime Minister Mark Rutte won comfortably. This offers reassurance to investors who are concerned about the eurozone's future.

	Stocks				Bonds				Commodity & FX			
	Product name	Close	Daily change (%)	YTD (%)	Product name	Yield	Daily change*	YTD*	Product name	Close	Daily change (%)	YTD (%)
Global	S&P500	2385.3	0.8	6.5	VIX	11.6	-5.4	-17	WTI	48.86	2.4	-9.0
	DOW	20950.1	0.5	6.0	US 2Y	1.32	-6.4	12	Brent	51.81	1.7	-8.8
	Nasdaq100	5416.3	0.6	11.4	US 10Y	2.50	-9.1	7	Gold	1218.7	1.7	5.8
	DAX	12009.9	0.2	4.6	GER 2Y	-0.81	0.3	-2	Silver	17.30	2.7	8.6
	CAC40	4985.5	0.2	2.5	GER 10Y	0.41	-4.4	21	EUR/USD	1.0732	1.2	2.1
	FTSE 100	7368.6	0.1	3.2	PT10Y	3.97	-1.3	21	EUR/GBP	0.8730	0.1	2.5
	FTSE MIB	19774.0	1.2	2.8	IT 10Y	2.28	-8.2	45	EUR/NOK	9.1164	-0.2	0.3
	Stoxx600	375.1	0.4	3.8	SP 10	1.83	-3.6	44	USD/CAD	1.3302	-1.3	-1.0
	- Banks	141.5	0.8	5.5	ITRAXX	72.3	-2.2	0	AUD/USD	0.7707	2.0	6.8
	Nikkei 225	19601.6	1.5	0.7	JPY 2Y	-0.26	-0.7	-8	USD/JPY	113.35	-1.2	-3.0
SSEC	3268.9	0.8	5.3	JPY 10Y	0.08	-2.0	3	GBP/USD	1.2291	1.1	-0.4	
Regional	RTS	1062.6	-0.1	-7.8	RUS10	8.08	-0.4	-4	USD/RUB	58.387	-1.4	-5
	WIG20	2229.87	-0.4	14.5	POL 10	3.75	0.0	3	EUR/PLN	4.3116	0.0	-2.1
	PX50	979.2	0.1	6.2	CZ10	0.87	9.9	85	EUR/RON	4.5488	0.2	0.3
Hungary	BUX	32636	0.0	2.0	3M TB	0.15	0	-1	EUR/HUF	309.33	-0.5	0.2
	OTP	8403	0.0	0.0	1Y	0.23	0	5	USD/HUF	288.27	-1.7	-1.8
	MOL	20940	0.0	1.5	3Y	1.61	0	75	CHF/HUF	289.76	-0.1	0.6
	MTelekom	495	0.0	-0.6	5Y	2.58	0	81	PLN/HUF	71.960	0.0	2.7
	Richter	6545	0.0	5.4	10Y	3.70	0	50	GBP/HUF	356.45	0.1	-1

\* In the case of bond yields, the change is in basispoint instead of percentage (VIX and ITRAXX not included).

Data			Cd.	Event/Data	Period	Fact	Cons.	Prev.	
2017	3	14	8 : 00	DE	CPI (final, yoy, %)	Febr.	2.2	2.2	2,2*
			9 : 00	HU	Industrial production (final, yoy, %)	Jan.	0.0	-	6,5*
			3 : 00	CN	Industrial production (yoy, %)	Jan.	6.3	6.2	6.0
			3 : 00	CN	Retail sales (yoy, %)	Jan.	9.5	10.5	10.9
			3 : 00	CN	Infrastructural spending (yoy, %)	Jan.	8.9	8.2	8.1
			11 : 00	EZ	Industrial production (mom, %)	Jan.	0.9	1.5	-1.6
			11 : 00	DE	ZEW Economic Sentiment (points)	March	12.8	12.5	10.4
	15		13 : 30	US	Retail sales (mom, %)	Febr.	0.1	0.2	0.4
			13 : 30	US	New York Fed Manufacturing index (points)	March	16.4	16.5	18.7
			13 : 30	US	CPI (yoy, %)	Febr.	2.7	2.8	2.5
			13 : 30	US	CPI (mom, %)	Febr.	0.1	0.1	0.6
			13 : 30	US	core-CPI (yoy, %)	Febr.	2.2	2.2	2.3
			13 : 30	US	core-CPI (yoy, %)	Jan.	0.2	0.2	0.3
			15 : 00	US	Business inventories (mom, %)	Jan.	0.3	0.3	0.4
			19 : 00	US	Interest rate decision (%)	March	0,75-1,0	0,75-1,0	0,5-0,75
				NL	Parlamentarian eleccions	March	-	-	-
	16		5 : 00	JP	Interest rate decision (%)	March		-0.1	-0.1
			9 : 00	HU	Construction output (yoy, %)	Jan.		-	-15
			11 : 00	EZ	CPI (final, yoy, %)	Febr.		2.0	2,0*
			13 : 00	UK	Interest rate decision (%)	March		0.3	0.3
			13 : 30	US	Existing home sales (annualized monthly, '000s)	Febr.		1280.0	1293.0
			13 : 30	US	New home sales (annualized monthly, '000s)	Febr.		1267.0	1246.0
	17		14 : 15	US	Industrial production (mom, %)	Febr.		0.2	-0.3
			15 : 00	US	Michigan Consumer confidence (preliminary, points)	March		96.0	96
			15 : 00	US	Leading index (hó/hó, %)	Febr.		0.4	0.6

\*preliminary data

Source: Reuters, OTP Research

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