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Global Daily Report

Summary

- In the aftermath of the Trump debacle in the US House of Representatives on Friday, equity indices fell in Europe yesterday. Defensive sectors' rally was headed by health care names.
- US markets opened on weak note; the technology sector made a modest gain.
- Today's meeting of the MNB Monetary Council is expected to keep interest rates in place, but may announce changes to its unconventional instruments.

The gains made by defensive sectors in Western Europe on Monday were too feeble to raise the benchmark indices into positive territory. Investors preferred to open short-selling positions (with the exception of Greece, Island, and Portugal); the FTSE and the DAX sank 0.6% each. To avoid a certain defeat, President Trump's health care bill was repealed on Friday, thus his most important campaign promise failed, casting shadow over the future plans that had given impetus to stock markets after the election. The Stoxx600 ended 0.4% lower on Monday; the commodities sector (once the biggest winner of the Trump rally) fell more than 3% yesterday; Europe's largest losers included construction, real estate, and industry. Only the utilities, health care, and retail sectors made modest gains yesterday. The Greek stock exchange diverged from the rest of Europe, benefiting from the optimistic views that Greece may come to an agreement with creditors and its banking system may strengthen (ASE index: +1.7%).

All of the CEE region's stock indices ended in the red; the BUX dropped 0.7%, Poland's WIG20 shed 1.5%, the Czech PX dipped 0.3%.

US markets made slight losses on Monday; the S&P pared its intraday loss of 1% to just 0.1%, and the Dow edged down 0.2%. Of the S&P's sector indices, health care (mostly service providers), basic materials producers, and technology ended in positive territory; as Friday's legislative fiasco damaged the real property sector most of all. The NASDAQ100 and the NASDAQ Composite both ground higher, as did the Russell2000. The energy sector was among the losers, as the WTI's price sank 0.4%, to less than 48 USD/barrel. The financial sector, particularly investment banks, also subsided: Goldman lost 1.3%, and Morgan Stanley ended the day 2.1% lower.

Asia's markets closed mixed this morning: Japan's equity indices closed in positive territory, mainland China ended in the red, while the Hang Seng advanced 0.5%.

The EUR gained ground from the USD in Monday's session, as Angela Merkel's CDU party won the Saarland regional vote at the weekend. The EUR's 0.6% firming led the EUR/USD to a four-month high of 1.086. The JPY gained 0.7% against the greenback; a 0.4% drop in Bloomberg's Dollar Spot Index brought its year-to-date loss to 4%. The GBP appreciated 1% on Monday. On precious metal markets, gold upped 0.5%, and silver surged 2.1%.

In Hungary, today's meeting of the MNB Monetary Council is widely expected to keep interest rates in place, but may announce changes to its unconventional instruments.

Germany's IFO index surprised on the upside, growing from 111.0 in February to 112.3, instead of the forecast stagnation. Both the current economic conditions and the expectation sub-indices came in better than had been thought, as most company leaders reported an improvement in business climate.

The conference board index and the Case-Shiller home price index are due out in the USA today.

	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	2341,6	-0,1	4,6	VIX	12,5	-3,5	-11	WTI	47,73	-0,5	-11,2
	DOW	20551,0	-0,2	4,0	US 2Y	1,25	0,5	5	Brent	50,75	-0,1	-10,7
	Nasdaq100	5374,3	0,2	10,5	US 10Y	2,38	-2,5	-6	Gold	1253,8	0,8	8,9
	DAX	11996,1	-0,6	4,5	GER 2Y	-0,70	3,7	10	Silver	18,07	1,8	13,4
	CAC40	5017,4	-0,1	3,2	GER 10Y	0,41	-0,5	20	EUR/USD	1,0864	0,6	3,3
	FTSE 100	7293,5	-0,6	2,1	PT10Y	4,08	-6,3	32	EUR/GBP	0,8648	-0,1	1,5
	FTSE MIB	20124,2	-0,3	4,6	IT 10Y	2,37	-3,3	55	EUR/NOK	9,2219	0,5	1,5
	Stoxx600	375,0	-0,4	3,8	SP 10	1,68	0,0	29	USD/CAD	1,3375	0,0	-0,4
	- Banks	143,2	0,2	6,7	ITRAXX	75,2	0,0	4	AUD/USD	0,7615	-0,1	5,5
	Nikkei 225	19262,5	1,1	0,4	JPY 2Y	-0,26	0,2	-8	USD/JPY	110,65	-0,6	-5,3
SSEC	3248,5	-0,6	4,7	JPY 10Y	0,06	0,1	1	GBP/USD	1,2553	0,7	1,8	
Regional	RTS	1114,7	-0,9	-3,3	RUS10	7,96	-0,4	-5	USD/RUB	56,875	-0,1	-7
	WIG20	2201,88	-1,5	13,0	POL 10	3,54	-0,9	-3	EUR/PLN	4,2437	-0,4	-3,6
	PX50	979,5	-0,3	6,3	CZ10	0,99	-1,8	112	EUR/RON	4,5501	0,0	0,3
Hungary	BUX	31876	-0,7	-0,4	3M TB	0,15	0	-1	EUR/HUF	308,73	-0,4	0,0
	OTP	8170	-1,3	-2,7	1Y	0,23	0	5	USD/HUF	284,12	-1,1	-3,2
	MOL	20225	-1,0	-2,0	3Y	1,36	-7	50	CHF/HUF	288,23	-0,5	0,1
	MTelekom	487	-0,4	-2,2	5Y	2,36	-6	59	PLN/HUF	72,710	0,0	3,8
	Richter	6505	0,4	4,8	10Y	3,38	-4	18	GBP/HUF	356,89	-0,5	-1

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

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2017 3. 27.	10 : 00 DE	IFO Economic sentiment index (points)	March	112,3	111,0	111,0
	28. 14 : 00 HU	Interest rate decision (%)	March		0,9	0,9
	15 : 00 US	Case-Shiller Home Price Index (yoy, %)	Jan.		5,7	5,6
	16 : 00 US	Consumer confidence (point)	March		113,0	114,8
29.	9 : 00 HU	Unemployment rate (%)	Febr.		-	4,3
	16 : 00 US	Pending home sales (mom, %)	Febr.		2,1	-2,8
30.	12 : 00 EZ	Janet Yellen speech (Fed Research Conference)	March		108,3	107,9
	14 : 00 DE	CPI (preliminary, yoy, %)	March		1,8	2,2
	14 : 00 CZ	Interest rate decision (%)	March		0,05	0,05
	14 : 30 US	GDP (third estimate, annualized, qoq, %)	Q4		2,0	2,0*
31.	1 : 30 JP	CPI (yoy, %)	Febr.		-	0,4
	1 : 30 JP	core-CPI (yoy, %)	Febr.		0,2	0,1
	3 : 00 CN	NBS Manufacturing PMI (points)	March		-	51,6
	3 : 00 CN	NBS non-Manufacturing PMI (points)	March		-	54,2
	8 : 00 DE	Retail sales (mom, %)	Febr.		0,6	-0,8
	9 : 00 HU	Industrial producer prices (yoy, %)	Febr.		-	2,2
	9 : 00 HU	Fiscal balance (bn HUF)	Q4		-	287,1
	11 : 00 EZ	CPI (preliminary, yoy, %)	March		1,8	2,0
	11 : 00 EZ	Core CPI (flash, yoy, %)	March		0,9	0,9
	14 : 30 US	Personal income (mom, %)	Febr.		0,4	0,4
	14 : 30 US	Personal consumption (adjusted, mom, %)	Febr.		0,2	0,2
	15 : 45 US	Chicago PMI (points)	March		56,8	57,4
4. 1.	3 : 45 CN	Caixin Manufacturing PMI (points)	March		-	51,7

Source: Reuters, OTP Research

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