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## Global Daily Report

### Summary

- Friday's trading sentiment was cheerful in Europe, except London, but US stock markets edged lower
- Currency and commodity markets ended the week in a directionless trading, with low volatility
- The New York Fed president finds three rate hikes realistic this year, but last week's statements reflect a lack of consensus among central bankers

Friday's trading sentiment was mixed on global stock markets. In Europe, the DAX closed 0.5% higher, the CAC40 rallied 0.7%, while the FTSE100 slid 0.6%. In America, the S&P500 shed 0.2%, and the NASDAQ100 inched 0.1% down.

In this morning's sour sentiment Japan's Nikkei slipped 0.8%.

The US dollar firmed 0.2% against the EUR but weakened 0.5% versus the JPY.

Precious metal prices edged higher, while oil prices diverged: the Brent inched down, while the WTI nudged higher.

The Fed's decision-makers sent mixed signals about the number of rate hikes last Thursday and Friday. The New York Fed's president finds three rate increases realistic this year (including the March one) without the risk of the economy overheating. In contrast, a day earlier Fed official Rosengren warned that the US economy was marching toward overheating, arguing for four interest rate hikes this year. The San Francisco Fed chair did not rule out the possibility of four increases, either. But current prices suggest that the market currently finds three rate hikes realistic in 2017. The 10Y US yields closed the first quarter of 2017 at their lowest this year (2.39%). On the other hand, while the Fed's interest rate forecast last year was nearing that of the market (which had expected lower rates), this tendency seems to be reversing this year. Therefore a positive macroeconomic outlook may prompt markets to start to price in a fourth increase after a while. Today the speeches of Fed decision-makers Dudley and Harker are worth keeping an eye on, especially in the light of the above 'disagreement'. If these two officials also mention the possibility of four rate increases, that could slightly surprise markets.

Today's important releases include unemployment rate from the eurozone and construction spending statistics from the USA. But the week's most influential publications will be the recent ECB meeting's minutes (on Thursday) and the weekly US labour market figures (on Friday).

|          | 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       | 2362,7  | -0,2             | 5,5     | VIX          | 12,4  | 7,2           | -12     | WTI            | 50,60  | 0,5              | -5,8    |
|          | DOW          | 20663,2 | -0,3             | 4,6     | US 2Y        | 1,26  | -2,8          | 6       | Brent          | 52,83  | -0,2             | -7,0    |
|          | Nasdaq100    | 5436,2  | -0,1             | 11,8    | US 10Y       | 2,40  | -2,3          | -4      | Gold           | 1248,6 | 0,5              | 8,4     |
|          | DAX          | 12312,9 | 0,5              | 7,2     | GER 2Y       | -0,74 | 0,1           | 5       | Silver         | 18,22  | 0,8              | 14,3    |
|          | CAC40        | 5122,5  | 0,6              | 5,4     | GER 10Y      | 0,33  | 0,0           | 12      | EUR/USD        | 1,0649 | -0,2             | 1,3     |
|          | FTSE 100     | 7322,9  | -0,6             | 2,5     | PT10Y        | 3,97  | 2,2           | 21      | EUR/GBP        | 0,8486 | -0,8             | -0,4    |
|          | FTSE MIB     | 20492,9 | 0,6              | 6,5     | IT 10Y       | 2,31  | 0,4           | 48      | EUR/NOK        | 9,1536 | 0,1              | 0,7     |
|          | Stoxx600     | 381,1   | 0,2              | 5,5     | SP 10        | 1,66  | 0,8           | 26      | USD/CAD        | 1,3311 | -0,2             | -0,9    |
|          | - Banks      | 143,0   | -0,2             | 6,6     | iTRAXX       | 73,5  | -1,0          | 2       | AUD/USD        | 0,7628 | -0,2             | 5,7     |
|          | Nikkei 225   | 18909,3 | -0,8             | -2,9    | JPY 2Y       | -0,16 | 2,5           | 1       | USD/JPY        | 111,38 | -0,5             | -4,7    |
| SSEC     | 3222,5       | 0,0     | 3,8              | JPY 10Y | 0,08         | 0,4   | 3             | GBP/USD | 1,2545         | 0,6    | 1,7              |         |
| Regional | RTS          | 1113,8  | -2,1             | -3,3    | RUS10        | 7,93  | 0,6           | -5      | USD/RUB        | 56,236 | 0,3              | -8      |
|          | WIG20        | 2175,96 | -1,5             | 11,7    | POL 10       | 3,51  | -0,3          | -3      | EUR/PLN        | 4,2306 | 0,5              | -3,9    |
|          | PX50         | 981,2   | -0,3             | 6,5     | CZ10         | 0,90  | -8,1          | 92      | EUR/RON        | 4,5514 | 0,0              | 0,4     |
| Hungary  | BUX          | 31634   | -1,6             | -1,2    | 3M TB        | 0,15  | 0             | -1      | EUR/HUF        | 308,40 | 0,0              | -0,1    |
|          | OTP          | 8093    | -1,9             | -3,7    | 1Y           | 0,19  | -3            | 1       | USD/HUF        | 289,55 | 0,2              | -1,3    |
|          | MOL          | 19800   | -2,1             | -4,0    | 3Y           | 1,14  | -4            | 28      | CHF/HUF        | 288,40 | 0,0              | 0,2     |
|          | MTelekom     | 480     | -1,0             | -3,6    | 5Y           | 2,25  | -3            | 48      | PLN/HUF        | 72,790 | -0,6             | 3,9     |
|          | Richter      | 6570    | -1,1             | 5,8     | 10Y          | 3,29  | -2            | 9       | GBP/HUF        | 361,24 | 0,3              | 0       |

\* 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 4. 3. | 2 : 30 JP  | Nikkei Manufacturing PMI (points)           | March  | 52,4  | -     | 52,6  |
|            | 9 : 00 HU  | Manufacturing PMI (points)                  | March  | 56,0  | -     | 59,5  |
|            | 9 : 00 HU  | Trade balance (detailed, monthly, EURmn)    | Jan.   | 633,0 | -     | 658*  |
|            | 11 : 00 EZ | Unemployment rate (%)                       | Febr.  |       | 9,5   | 9,6   |
|            | 16 : 00 US | Construction expenditure (mom, %)           | Febr.  |       | 1,1   | -1,0  |
|            | 16 : 00 US | ISM Manufacturing PMI (points)              | March  |       | 57,0  | 57,7  |
|            | 21 : 30 US | Vehicle sales (annualized monthly, million) | March  |       | 17,4  | 17,6  |
| 4.         | 9 : 00 HU  | Retail sales (first estimate, yoy, %)       | Febr.  |       | -     | 3,7   |
|            | 11 : 00 EZ | Retail sales (mom, %)                       | Febr.  |       | 0,50  | -0,10 |
|            | 16 : 00 US | Factory orders (mom, %)                     | Febr.  |       | 1,0   | 1,2   |
| 5.         | 9 : 00 HU  | Industrial production (preliminary, yoy, %) | Febr.  |       | -     | 6,5   |
|            | 14 : 00 PL | Interest rate decision (%)                  | Apr.   |       | -     | 1,5   |
|            | 14 : 00 RO | Interest rate decision (%)                  | Apr.   |       | 1,8   | 1,8   |
|            | 14 : 15 US | ADP non-farm employment (mom, '000s)        | March  |       | 200,0 | 298,0 |
|            | 16 : 00 US | ISM non-Manufacturing PMI (points)          | March  |       | 57,0  | 57,6  |
|            | 20 : 00 US | FOMC Minutes                                | March  |       | -     | -     |
| 6.         | 9 : 00 DE  | Industrial orders (mom, %)                  | Febr.  |       | 4,0   | -7,4  |
|            | 11 : 00 HU | Fiscal balance (monthly, billion HUF)       | March  |       | -     | 57,0  |
|            | 13 : 30 EZ | ECB Minutes                                 | March  |       | -     | -     |
| 7.         | 8 : 00 DE  | Export (mom, %)                             | Febr.  |       | -0,5  | 2,7   |
|            | 9 : 00 HU  | Trade balance (preliminary, monthly, EURmn) | Febr.  |       | -     | 633,0 |
|            | 9 : 00 DE  | Industrial production (mom, %)              | Febr.  |       | -0,2  | 2,8   |
|            | 10 : 30 UK | Industrial production (mom, %)              | Febr.  |       | 0,2   | -0,4  |
|            | 11 : 00 HU | International reserves (final, EURbn)       | Febr.  |       | -     | 25,2  |
|            | 14 : 30 US | Unemployment rate (%)                       | March  |       | 4,7   | 4,7   |
|            | 14 : 30 US | Average earnings (yoy, %)                   | March  |       | 2,4   | 2,8   |
|            | 14 : 30 US | Average earning (mom, %)                    | March  |       | 0,2   | 0,2   |
|            | 14 : 30 US | Non-farm payroll (mom, '000s)               | March  |       | 180,0 | 235,0 |

\* preliminary data

Source: Reuters, OTP Research

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