



**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	14 397	↑ 0,47	↑ 2,18
S&P500	1 551	↑ 0,45	↑ 2,17
Nasdaq100	2 804	↑ 0,17	↑ 2,05
Russell2000	943	↑ 0,85	↑ 3,04
Stoxx600	296	↑ 0,80	↑ 2,26
DAX	7 986	↑ 0,59	↑ 3,61
FTSE 100	6 484	↑ 0,69	↑ 1,65
CAC40	3 840	↑ 1,22	↑ 3,79
ATX	2 549	↑ 1,58	↑ 3,27
IBEX35	8 628	↑ 2,85	↑ 5,39
Nikkei 225	12 349	↑ 0,53	↑ 5,98
Hang Seng	23 092	↑ 1,41	↑ 0,93
SSEC	2 319	↓ -0,24	↓ -1,73
SENSEX	19 683	↑ 1,39	↑ 4,04
RTS	1 532	→ 0,00	↑ 1,48
Bovespa	58 433	↓ -0,70	↑ 2,72

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3012	↑ 0,06	↓ -0,10
EUR/CHF	1,2375	↑ 0,04	↑ 0,98
USD/GBP	1,4931	↑ 0,11	↓ -1,21
USD/JPY	96,06	↑ 0,04	↑ 2,78
AUD/USD	1,0223	↓ -0,07	↑ 0,27
USD/CAD	1,0276	↓ -0,07	↑ 0,04

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,6	↓ -0,5	↓ -2,8
EMBI+ Spread	287	↑ 12	↑ 30
CDS 5Y PIIS	221	↓ -2	↓ -15
CDS 5Y Italy	218	↓ -3	↓ -17
CDS 5Y Belg.	38	→ 0	↑ 0
iTraxx 5Y EU	103,8	↓ -4	↓ -14
US TED Spread	18,8	→ 0	↓ 0

Source: Reuters, OTP Research

**Summary**

- Optimistic sentiment prevailed on Western Europe's and the USA's markets on the last trading day of the week.
- On Friday evening, Fitch cut Italy's debt rating from A-minus to triple-B-plus, assigning negative outlook to suggest that further downgrade may follow.
- US economy added 236,000 jobs in February (against the expected 165,000), while unemployment declined by 0.2 percentage points.

Optimism prevailed among investors in global stock markets on Friday. The buoyancy developed from cheering data on China's exports and Japan's GDP. The afternoon's publication of US unemployment statistics was better than had been hoped, further bolstering investors' appetite to buy. All of Europe's key markets closed in the positive territory on Friday: the Footsie gained 0.7%, the DAX added 0.6%, and the CAC40 rose by 1.2%.

American indices started trading with gains and the optimism persisted until the end of session. The key indices closed about 0.5% higher. The S&P was less than 1% from its all-time high. The three best-performing S&P sector indices were cyclical consumer goods (+1.06%), industrials (+0.94%) and basic materials (+0.81%). McDonald's firmed 1.67% after publishing its February sales data, which beat expectations. Of the Dow's components, Walt Disney was the strongest performer, with nearly 2% increase.

Monday morning's trading session was basically optimistic in Asia, with one Chinese index missing out on the gains. Its ailing probably stems from the consumer price index's jump to 3.2% in February, up from January's 2%.

On Friday evening, Fitch cut Italy's foreign and local currency issuer default rating by one notch, from A-minus to triple-B-plus. The negative outlook suggests that further downgrade may follow. The BBB scale is still of investment grade for bondholders but it warns investors of higher risk than the "A" credit quality. The rating agency's rationale emphasized that Italy's inconclusive parliamentary elections at end-February made it unlikely that a stable government could be formed in the next few weeks. The increased political uncertainty together with the unhelpful environment for further structural reforms add up to further shock effects in an economy already suffering from deep recession, the agency added. Fitch also pointed out that Q4 2012 GDP data suggested that the Italian economy's recession is one of the deepest ones in Europe. The rating agency foresees 1.3% economic slump in Italy. Because of the deep recession and its detrimental effects on the general government deficit, Italy's gross public debt ratio is likely to peak near 130% of GDP, the forecast concluded.

**GOV'T BOND MARKET**

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,26	↑ 0	↑ 2
US 10Y	2,05	↑ 5	↑ 21
JP 2Y	0,04	↑ 0	↓ -1
JP 10Y	0,66	↓ -2	↑ 0
GER 2Y	0,09	→ 0	↑ 5
GER 10Y	1,50	→ 0	↑ 11

**CENTRAL BANKS' RATES**

	Rate (%)	6M Consensus	1Y Consensus
Fed Funds	0,25	→ 0,25	→ 0,25
ECB Rate	0,75	→ 0,75	→ 0,75
BOE Rate	0,50	→ 0,50	→ 0,50
BOJ Rate	0,10	→ 0,10	→ 0,10
SNB Target	0,00	→ 0,00	→ 0,00

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
US 3M Libor	0,28	↓ 0	↓ 0
US 2Y Swap	0,36	↓ -2	↑ 1
US 5Y Swap	1,01	↓ -1	↑ 12
EUR 3M Euribor	0,20	↑ 0	↓ 0
EUR 2Y Swap	0,44	↓ -1	↑ 2
EUR 5Y Swap	0,93	↓ -1	↑ 3
GB 3M Libor	0,51	→ 0	→ 0
GB 2Y Swap	0,59	↓ 0	↑ 1
GB 5Y Swap	1,06	↓ -1	↑ 1
JP 3M Libor	0,16	→ 0	↓ 0
JP 2Y Swap	0,20	↓ 0	↑ 1
JP 5Y Swap	0,27	↓ -1	↑ 1
CHF 3M Libor	0,02	→ 0	→ 0
CHF 2Y Swap	0,10	↓ -2	↑ 4
CHF 5Y Swap	0,42	↓ -2	↑ 4

**COMMODITIES**

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	110,6	↓ -0,26	↑ 0,43
Gold	1 582	↑ 0,29	↑ 0,57

Source: Reuters, OTP Research

In February, the US economy added 236,000 new jobs (against the expected 165,000), while unemployment declined by 0.2 percentage points (against the forecast stagnation). The 7.7% reading is the lowest in more than three months. The US Department of Labor's statistics, released on Friday, show that the services sector created the highest number of new jobs in the second month of 2013, and a significant increase was seen in the construction industry too. Only the public sector, where employment contracted by 10,000, has reported decline. The January figure was revised down (from 157,000 to 119,000), whereas the December reading was revised up (from 196,000 to 219,000).

Speaking in Dublin, the IMF's Managing Director talked about the eurozone's outlook. Europe has come a long way since last summer, but further measures are needed, she said. Christine Lagarde again raised the possibility of cutting interest rate arguing that it could considerably speed up Europe's economy. At the press conference that followed the most recent rate-setting meeting of the ECB, the bank's president said that rate cutting was an option. The IMF's Managing Director warned member states of their fiscal commitments and of the importance of implementing reforms. It is not enough to keep an eye on fiscal figures – growth, people, and money markets should also be taken into account, Mrs Lagarde added.

	COUNTRY	DATE	FACT	CONSENSUS	PREVIOUS
Friday	DE	Jan	Industrial output (mom, %)	0,0	0,5
	US	Feb	Non farm payrolls (thousand)	236	160
	US	Feb	Unemployment rate (%)	7,7	7,9
Monday	DE	Jan	Trade balance (bn EUR)	15,7	16,8
	FR	Jan	Industrial output (mom, %)	0,0	-0,1
	IT	Q4	GDP (final, yoy, %)	-2,7	-2,7

Source: Reuters, OTP Research

**Chief Economist**  
Gergely Tardos  
tardosg@otpbank.hu  
+36 1 374 7273

**FX/FI Strategist**  
Levente Pápa  
papal@otpbank.hu  
+36 1 354 7490

**Fundamental Analyst**  
Piroska Beáta Szabó  
szabopb@otpbank.hu  
+36 1 374 7276

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