

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|-------------|--------|----------------|-----------------|
| DJIA | 14 512 | ↑ 0,39 | ↑ 0,39 |
| S&P500 | 1 559 | ↑ 0,67 | ↑ 0,27 |
| Nasdaq100 | 2 806 | ↑ 0,67 | ↑ 0,26 |
| Russell2000 | 952 | ↑ 0,97 | ↑ 0,85 |
| Stoxx600 | 297 | ↑ 0,32 | ↑ 0,40 |
| DAX | 8 002 | ↑ 0,68 | ↑ 0,39 |
| FTSE 100 | 6 433 | ↓ -0,13 | ↓ -0,75 |
| CAC40 | 3 830 | ↑ 1,43 | ↓ -0,17 |
| ATX | 2 466 | ↑ 0,91 | ↓ -1,13 |
| IBEX35 | 8 416 | ↑ 1,15 | ↓ -0,96 |
| Nikkei 225 | 12 636 | ↑ 1,34 | ↑ 2,06 |
| Hang Seng | 22 256 | ↑ 0,97 | ↓ -1,33 |
| SSEC | 2 317 | ↑ 2,66 | ↑ 2,36 |
| SENSEX | 18 884 | ↓ -0,65 | ↓ -2,47 |
| RTS | 1 489 | ↑ 0,71 | ↓ -2,73 |
| Bovespa | 56 030 | ↓ -0,59 | ↓ -2,36 |

FX MARKET

| | Close | Daily chg. (%) | Weekly chg. (%) |
|---------|--------|----------------|-----------------|
| EUR/USD | 1,2940 | ↑ 0,06 | ↓ -0,49 |
| EUR/CHF | 1,2227 | ↑ 0,07 | ↓ -0,70 |
| USD/GBP | 1,5118 | ↑ 0,15 | ↑ 0,25 |
| USD/JPY | 95,77 | ↓ -0,25 | ↓ -0,33 |
| AUD/USD | 1,0370 | ↓ -0,04 | ↓ -0,12 |
| USD/CAD | 1,0252 | ↓ -0,07 | ↑ 0,30 |

RISK INDICATORS

| | Close | Daily chg (bp) | Weekly chg (bp) |
|---------------|-------|----------------|-----------------|
| VIX | 12,7 | ↓ -1,7 | ↑ 0,8 |
| EMBI+ Spread | 287 | ↑ 12 | ↑ 30 |
| CDS 5Y PIIS | 243 | ↓ 0 | ↑ 19 |
| CDS 5Y Italy | 241 | ↓ -3 | ↑ 16 |
| CDS 5Y Belg. | 39 | ↑ 1 | ↑ 2 |
| iTraxx 5Y EU | 118,2 | ↑ 4 | ↑ 12 |
| US TED Spread | 21,4 | ↓ 0 | ↑ 3 |

Source: Reuters, OTP Research

Summary

- Optimism intensified on global markets after the Fed Chairman said the loose monetary policy would continue.
- After rejecting to levy bank deposits, Cypriot politicians are seeking the way how to raise EUR 5.8 billion from the country's own resources.
- The eurozone's economic activity has slowed, today's release of preliminary PMIs signifies.

Most global indices achieved gains yesterday. Trading in Europe climbed into the positive territory (most probably benefiting from the improved sentiment following the rejection of the bank deposit tax by the Cypriot parliament), but after Fed Chairman Ben Bernanke's speech, the positive mood persisted on American markets.

After the press conference of the Fed Chairman, optimism strengthened on American markets. The current policy of printing money will not change, while the costs and benefits continue to be monitored, Bernanke pointed out. Among the benefits, Bernanke mentioned the fact that the loose monetary policy may help bring down the still elevated unemployment rate and may provide a firewall against the adverse effects of the escalating European crisis. In the light of the restrictive fiscal policy, Bernanke also found it justified to carry on with the loose monetary policy.

Cypriot politicians carry on seeking solution to avoid the country's default. Politicians in Nicosia rejected the one-off tax on deposits as proposed by the European Union, thus they need to find an alternative solution for raising EUR 5.8 billion from the country's own resources. Alternatives included the nationalization of state-owned companies' pension savings, factoring future natural gas revenues, and imposing the bank deposit tax on large investors only.

The eurozone's economic activity became less favourable, the figures released today reveal. According to Markit's data, the eurozone's composite purchasing managers' index sank to 46.5 points in March, down from the previous month's 48.2. Rather unexpectedly, the German manufacturing gauge sank below 50 points. The French index fell further.

GOV'T BOND MARKET

| | Yield (%) | | Daily chg (bp) | | Weekly chg (bp) |
|---------|-----------|---|----------------|---|-----------------|
| US 2Y | 0,25 | ↑ | 1 | ↓ | -1 |
| US 10Y | 1,96 | ↑ | 5 | ↓ | -7 |
| JP 2Y | 0,04 | → | 0 | ↑ | 0 |
| JP 10Y | 0,60 | ↑ | 0 | ↓ | -4 |
| GER 2Y | 0,00 | ↓ | -2 | ↓ | -8 |
| GER 10Y | 1,35 | ↓ | -4 | ↓ | -14 |

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 | 0,38 | ↓ | -1 | → | 0 |
| US 5Y Swap | 0,97 | ↑ | 1 | ↓ | -4 |
| EUR 3M Euribor | 0,21 | ↑ | 0 | ↑ | 1 |
| EUR 2Y Swap | 0,49 | ↓ | 0 | ↑ | 5 |
| EUR 5Y Swap | 0,91 | ↓ | -2 | ↓ | -2 |
| GB 3M Libor | 0,51 | → | 0 | → | 0 |
| GB 2Y Swap | 0,58 | ↓ | -1 | ↑ | 1 |
| GB 5Y Swap | 0,96 | ↓ | -1 | ↑ | 2 |
| JP 3M Libor | 0,16 | → | 0 | → | 0 |
| JP 2Y Swap | 0,21 | ↓ | -1 | ↑ | 1 |
| JP 5Y Swap | 0,28 | ↓ | -1 | ↑ | 2 |
| CHF 3M Libor | 0,02 | → | 0 | → | 0 |
| CHF 2Y Swap | 0,09 | ↑ | 2 | ↓ | -5 |
| CHF 5Y Swap | 0,44 | ↑ | 4 | ↓ | -4 |

COMMODITIES

| | Close | | Daily chg. (%) | | Weekly chg. (%) |
|-----------|-------|---|----------------|---|-----------------|
| Oil Brent | 108,5 | ↓ | -0,18 | ↓ | -0,82 |
| Gold | 1 608 | ↑ | 0,13 | ↑ | 1,14 |

Source: Reuters, OTP Research

In addition to purchasing managers' indices, a raft of data will be published today. The Philadelphia Fed's business index, the regular weekly labour market data and existing home sales statistics will see the light of day in the United States.

| | COUNTRY | DATE | | FACT | CONSENSUS | PREVIOUS |
|-----------|---------|------------------------------|---|--------|-----------|----------|
| Wednesday | DE | Feb | Producer price index (y-o-y, %) | 1,2 | 1,5 | 1,7 |
| | EZ | Jan | Current Account (sa, EUR bn) | 13,9 | - | 15,9 |
| | EZ | Mar | Consumer confidence (point) | -24 | -23,3 | -23,6 |
| | US | Mar | Fed rate decision (%) | 0-0,25 | 0,25 | 0,25 |
| Thursday | EZ | Mar | Markit Composite flash PMI (points) | 46,5 | 48,2 | 47,9 |
| | EZ | Mar | Markit Manufacturing flash PMI (points) | 46,6 | 48,2 | 47,9 |
| | DE | Mar | Markit Manufacturing flash PMI (points) | 48,9 | 50,5 | 50,3 |
| | US | weekly | Initial jobless claims (ths) | | 342 | 332 |
| | US | weekly | Continued jobless claims (ths) | | 3 050 | 3 024 |
| | US | Mar | Philly Fed business index (points) | | -2,0 | -12,5 |
| US | Feb | Existing home sales (mom, %) | | 1,6 | 0,4 | |

Source: Reuters, OTP Research

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