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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	14 526	↓ -0,23	↑ 0,10
S&P500	1 563	↓ -0,06	↑ 0,27
Nasdaq100	2 810	↑ 0,12	↑ 0,15
Russell2000	950	↑ 0,04	↓ -0,18
Stoxx600	292	↓ -0,45	↓ -1,37
DAX	7 789	↓ -1,15	↓ -2,66
FTSE 100	6 388	↓ -0,18	↓ -0,70
CAC40	3 712	↓ -0,99	↓ -3,08
ATX	2 358	↓ -0,77	↓ -4,37
IBEX35	7 900	↓ -1,13	↓ -6,13
Nikkei 225	12 336	↓ -1,26	↓ -2,37
Hang Seng	22 465	↑ 0,69	↑ 0,94
SSEC	2 301	↑ 0,16	↓ -0,70
SENSEX	18 705	→ 0,00	↓ -0,95
RTS	1 446	↑ 0,04	↓ -2,91
Bovespa	56 034	↑ 0,65	↑ 0,01

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,2803	↑ 0,18	↓ -0,73
EUR/CHF	1,2189	→ 0,00	↓ -0,13
USD/GBP	1,5157	↑ 0,18	↓ -0,09
USD/JPY	94,16	↓ -0,29	↓ -0,76
AUD/USD	1,0431	↓ -0,11	↓ -0,05
USD/CAD	1,0162	↑ 0,03	↓ -0,87

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,2	↑ 0,4	↑ 0,5
EMBI+ Spread	287	↑ 12	↑ 30
CDS 5Y PIIS	248	↑ 10	↑ 5
CDS 5Y Italy	247	↑ 12	↑ 7
CDS 5Y Belg.	42	↑ 2	↑ 4
iTraxx 5Y EU	128,2	↑ 5	↑ 10
US TED Spread	19,9	↑ 0	↓ -1

Source: Reuters, OTP Research

Summary

- Europe's stock markets closed in the red on Wednesday; the news flow from Cyprus had a fundamental effect on stock market prices.
- The loss of investors with uninsured deposits above EUR 100,000 in the largest Cypriot bank can amount to 40%, and the loss on savings in the second largest bank may amount to 80%. The Mediterranean country's banks reopened today, though with capital restrictions.
- The euro's meaningful weakening led the EUR/USD to 1.275 on Wednesday.

Europe's stock markets closed in the red, with Germany's DAX dropping 1.2%. This morning stock markets opened with stagnation, and today's gains will be certainly limited by the news flow from Cyprus.

The Cypriot government is discussing a 10-billion-euro loan with the European Union. One of the conditions for the rescue package is the Cypriot government's contribution towards the costs of the bailout, part of which was to be raised from taxes on bank deposits. Since this was an unprecedented event, Cyprus' banks were closed for two weeks.

Investors are facing 40% loss on uninsured bank deposits above EUR 100,000 at the Bank of Cyprus, and 80% loss on those held at Laiki Bank, Wednesday's reports said. In today's news, banks opened in Cyprus, but temporary capital restrictions were implemented in order to limit cash withdrawal. In Cyprus, like in other countries of the eurozone, it is the national bank that provides cash for commercial banks. The European Central Bank did not comment on the reports that it had sent extra cash to the Mediterranean country. Commentaries find it difficult to lift capital restrictions as long as the economy is in crisis.

The developments in Cyprus materially weakened the euro to the dollar. The 200-day moving average fell on Tuesday and the euro sank as deep as 1.275. The single European currency was seen cautiously firming this morning.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,25	↓	-1	↓	0
US 10Y	1,85	↓	-7	↓	-11
JP 2Y	0,04	↑	0	↓	0
JP 10Y	0,51	↓	-3	↓	-9
GER 2Y	0,00	↓	-2	↑	1
GER 10Y	1,33	↓	-2	↓	-2

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	0,40	↓	0	↑	0
US 5Y Swap	0,94	↑	1	↓	0
EUR 3M Euribor	0,21	↓	0	↑	0
EUR 2Y Swap	0,48	↓	-1	↓	-1
EUR 5Y Swap	0,88	↑	0	↓	-2
GB 3M Libor	0,51	→	0	→	0
GB 2Y Swap	0,59	↓	-1	↓	-1
GB 5Y Swap	0,92	↑	0	↓	0
JP 3M Libor	0,16	→	0	↑	0
JP 2Y Swap	0,21	↓	-1	↓	-1
JP 5Y Swap	0,27	↑	0	↓	0
CHF 3M Libor	0,02	→	0	→	0
CHF 2Y Swap	0,06	↑	1	↓	-1
CHF 5Y Swap	0,41	↑	3	↑	1

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	109,9	↑	0,18	↑	2,25
Gold	1 604	↓	-0,05	↓	-0,63

Source: Reuters, OTP Research

Today the USA will publish the final GDP data for the fourth quarter of 2012. Perhaps more interestingly, the March gauge of the Chicago Purchasing Managers' Index will come out, which may be a market-moving figure if it falls short of expectations. Furthermore, the usual weekly labour market data will be released.

	COUNTRY	DATE		FACT	CONSENSUS	PREVIOUS
Wednesday	DE	Apr	GfK consumer sentiment (point)		5,9	5,9
	DE	Feb	Import prices (mom, %)		0,2	0,1
	EZ	Mar	Business climate (point)	-1	-0,80	-0,73
	EZ	Mar	Consumer sentiment (point)	-24	-23,5	-23,6
	US	Feb	Pending home sales (mom, %)		-0,2	4,5
	US	Q4	GDP final (%)		0,5	0,1
	US	Mar	Chicago PMI (points)		56,5	56,8
	US	weekly	Initial jobless claims (th\$)		340	336
	US	weekly	Continued jobless claims (th\$)		3 043	3 053
	DE	Feb	Retail sales (% mom)	0,4	-1,0	3,1

Source: Reuters, OTP Research

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