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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	14 565	↓ -0,28	↓ -0,09
S&P500	1 553	↓ -0,43	↓ -1,01
Nasdaq100	2 772	↓ -0,83	↓ -1,67
Russell2000	923	↓ -0,26	↓ -2,97
Stoxx600	287	↓ -1,57	↓ -2,26
DAX	7 659	↓ -2,03	↓ -1,75
FTSE 100	6 250	↓ -1,49	↓ -2,53
CAC40	3 663	↓ -1,68	↓ -1,82
ATX	2 327	↓ -1,19	↓ -1,07
IBEX35	7 798	↓ -0,63	↓ -1,54
Nikkei 225	13 195	↑ 2,82	↑ 8,74
Hang Seng	21 727	↓ -2,73	↓ -2,57
SSEC	2 225	→ 0,00	↓ -0,51
SENSEX	18 450	↓ -0,32	↓ -2,05
RTS	1 411	↓ -0,59	↓ -3,35
Bovespa	55 051	↑ 0,74	↓ -2,31

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,2979	↓ -0,08	↑ 1,03
EUR/CHF	1,2138	↓ -0,01	↓ -0,17
USD/GBP	1,5317	↓ -0,10	↑ 0,59
USD/JPY	98,48	↑ 0,98	↑ 5,65
AUD/USD	1,0370	↓ -0,04	↓ -0,51
USD/CAD	1,0168	↓ -0,05	↑ 0,01

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,9	↑ 0,0	↑ 1,2
EMBI+ Spread	287	↑ 12	↑ 30
CDS 5Y PIIS	242	↓ 0	↓ -6
CDS 5Y Italy	233	↓ -3	↓ -13
CDS 5Y Belg.	42	↑ 0	↑ 0
iTraxx 5Y EU	118,4	↓ -2	↓ -10
US TED Spread	21,2	↓ 0	↓ 0

Source: Reuters, OTP Research

Summary

- In the unhelpful investment mood on Western Europe's and the USA's markets, key indices closed lower in Friday's trading.
- The constitutional court in Lisbon found that four of the Portuguese austerity package's nine controversial measures were unconstitutional, this could create about EUR 900 million gap in the country's 2013 budget.
- The US economy added just 88,000 new jobs in March, against the expected 190,000.

There was adverse investment mood in Europe on Friday. Investors' subdued risk appetite was worsened by the North Korea tension and the unexpectedly poor US job market data. The weaker American unemployment data may signify that recovery from the crisis may last longer than estimated. The DAX ended Friday's trading 2% lower, the CAC40 eased 1.7%, and the Footsie shed 1.5%. European airline companies did not fare well, their considerable decline was triggered by news on the avian flu in China: Air France-KLM nose-dived 7.8%, Lufthansa subsided 4.3%, and Easyjet sank 6.4%. German banking shares had a bad day too: Deutsche Bank edged down 0.1%, and Commerzbank contracted by 1.4%.

Portugal's 2013 fiscal austerity package aimed at saving about EUR 5 billion through considerable tax hikes, wage reduction for public sector workers, and holding back pension expenditure. But on Friday evening Lisbon's constitutional court ruled that four out of the package's nine challenged measures were unconstitutional, thus nearly a fifth of this year's austerity measures cannot be put into operation. In analysts' estimate, this caused almost EUR 900 million gap in the country's budget. On Sunday evening, the Portuguese Prime Minister announced new austerity measures, with cuts affecting the public spending, including the social security system, healthcare and education. The European Commission warned Portugal's government that it must commit to the fiscal targets laid down in agreements with international lenders, or else rescheduling the repayment of the bailout loan is out of the question.

Friday's trading opened with a loss on American markets too, and the significantly worse-than-expected job market statistics only added to them. But major indices were able to erase most of the initial losses, and they ended the day 0.3-0.7% lower. Of the S&P's sector indices, only the energy sub-index (+0.43%) and public utilities (+0.22%) achieved gains. Technology was weakest performer, with 0.77% drop.

Asian indices closed today's trading with mixed results. Japan' Nikkei upped nearly 3%, while the Shanghai Composite closed 1% lower.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,23	↑	0	↓	-2
US 10Y	1,70	↓	-7	↓	-17
JP 2Y	0,09	↑	2	↑	2
JP 10Y	0,54	↑	16	↓	-3
GER 2Y	-0,02	↓	-1	↑	1
GER 10Y	1,25	↓	-3	↓	-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	0,34	↓	0	↓	-5
US 5Y Swap	0,84	↓	-2	↓	-8
EUR 3M Euribor	0,21	⇒	0	↓	0
EUR 2Y Swap	0,42	↓	-1	↓	-6
EUR 5Y Swap	0,82	↓	-1	↓	-9
GB 3M Libor	0,51	⇒	0	⇒	0
GB 2Y Swap	0,57	↓	-1	↑	0
GB 5Y Swap	0,88	↑	3	↑	8
JP 3M Libor	0,16	↓	0	↓	-1
JP 2Y Swap	0,21	↓	-1	↑	0
JP 5Y Swap	0,34	↑	3	↑	8
CHF 3M Libor	0,02	⇒	0	⇒	0
CHF 2Y Swap	0,06	⇒	0	↑	2
CHF 5Y Swap	0,42	↑	3	↑	3

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	104,5	↑	0,35	↓	-5,94
Gold	1 577	↓	-0,29	↓	-1,34

Source: Reuters, OTP Research

The US economy added 88,000 new jobs in the USA, as opposed to the expected 190,000. The US Department of Labor revised up the January and February data to 148,000 (from 119,000) and to 268,000 (from 236,000) respectively. A breakdown of March data indicates that the services sector created the highest number of jobs (51,000), and construction jobs also grew considerably (by 23,000). On the other hand, the number of jobs in retail and in the government sector has declined, by 23,000 and 12,000 respectively. Despite the slow increase in employment, the rate of unemployment contracted by 0.1 percentage point, to 7.6%. The only reason for the decline is the fall in the number of job seekers, the Department of Labor's data show.

There are no influential macroeconomic data releases in the key markets today.

	COUNTRY	DATE		FACT	CONSENSUS	PREVIOUS
Friday	EZ	Feb	Retail sales (mom, %)	-0,3	-0,2	1,2
	DE	Feb	Industrial orders (mom, %)	2,3	1,2	-1,9
	US	Mar	Non-farm payrolls (ths)	88	200	236
	US	Mar	Unemployment rate (%)	7,6	7,7	7,7
	US	Feb	International trade (bn USD)	-43,0	-44,6	-44,5
Monday	DE	Feb	Industrial output (mom, %)		0,3	0,0

Source: Reuters, OTP Research

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