

Headquarter Treasury Sales

Head of Sales

Marius George Ionescu

+40755 000 437

marius.ionescu@otpbank.ro

Alina Elena Vrabioiu

+4021 307 58 17

alina.vrabioiu@otpbank.ro

Tania Fantana

+4021 307 58 17

tania.fantana@otpbank.ro

Alexandru Tibuleac

+4021 307 58 17

alexandru.tibuleac@otpbank.ro

Regional Treasury Sales

Cezar Trandafirescu - Iasi

+40755 000 246

cezar.trandafirescu@otpbank.ro

Szilamer Kozma – Cluj

+40755 000 400

szilamer.kozma@otpbank.ro

Valentin Cioraneanu – Brasov

+40755 000 464

valentin.cioraneanu@otpbank.ro

Radu Oprea – Bucharest

+40755 000 474

radu.oprea@otpbank.ro



Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 154	↑ 0,79	↑ 2,28
S&P500	1 839	↑ 0,48	↑ 2,32
Nasdaq100	3 664	↑ 0,12	↑ 2,28
Russell2000	1 149	↑ 0,12	↑ 2,72
Stoxx600	333	↑ 0,56	↑ 2,53
DAX	9 662	↑ 0,68	↑ 3,88
FTSE 100	6 664	↑ 0,06	↑ 1,40
CAC40	4 340	↑ 0,63	↑ 2,65
ATX	2 640	↑ 1,06	↑ 1,78
IBEX35	10 133	↑ 0,34	↑ 0,60
Nikkei 225	14 393	↑ 0,56	↓ -2,21
Hang Seng	22 535	↑ 1,06	↑ 1,12
SSEC	2 135	↑ 0,92	↑ 2,37
SENSEX	20 410	↑ 0,21	↑ 0,37
RTS	1 343	↑ 1,63	↑ 0,13
Bovespa	48 201	↑ 0,81	↑ 0,27

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3702	↑ 0,09	↑ 0,43
EUR/CHF	1,2217	↓ -0,03	↓ -0,16
USD/GBP	1,6744	↑ 0,52	↑ 2,10
USD/JPY	101,75	↓ -0,02	↓ -0,48
AUD/USD	0,9031	↑ 0,03	↑ 0,95
USD/CAD	1,0971	↓ -0,05	↓ -0,75

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,6	↓ -0,6	↓ -1,7
CDS 5Y PIIS	14	↓ -1	↓ -2
CDS 5Y Italy	135	↓ -4	↓ -3
CDS 5Y Belg.	133	↓ -5	↓ -5
iTraxx 5Y EU	28,8	↑ 1	↑ 2
US TED Spread	74,4	↑ 0	↓ -7

Source: Reuters, OTP Research

Summary

- In Friday's optimistic trading, indices closed higher on both sides of the Atlantic.
- Instead of the expected increase, US industrial output declined in the first months of the year.
- US consumer sentiment stagnated in February, the preliminary results of the University of Michigan's survey found.
- American markets are closed for Presidents' Day today.

Friday's investment sentiment was favourable in Europe. The better-than-expected GDP data from Germany, France and the eurozone bolstered traders' appetite to buy. All of the key indices closed the last day of the week in the green: the Frankfurt stock exchange advanced 0.7%, France's CAC40 added 0.6%, and the Footsie inched up 0.06%.

On Friday night, Moody's Investors Service improved its outlook on Italy's government bond rating to stable from negative, which had suggested that a downgrade might have followed. The agency has also affirmed the "Baa2/Prime-2" rating on Italy's long-term and short-term sovereign debts. Moody's rationale cited the stabilization of Italy's government debt dynamics. The agency's opinion was published on the day when Prime Minister Enrico Letta resigned. Mr Letta's successor, Matteo Renzi, the secretary-general of the Left Democrats (PD), said he was planning to carry on with the current coalition.

In the equally optimistic US trading, the key indices also closed with gains. Investors' appetite to buy was augmented by the impressive GDP data from the eurozone as well as by the Dallas Fed chair's interview to Bloomberg, in which Richard Fisher said that the US economy was following the right direction. Friday's performance helped US indices to their strongest weekly gain in 2014. The Dow upped by 0.8%, the S&P rose by 0.5%, and the Nasdaq inched 0.1% higher in Friday's session. All of the S&P's sector indices went up, with the energy sub-index's 1.3% gain being the best one.

Asia's major indices closed higher in this morning's trading, with Chinese markets leading the way: the Hang Seng CE rose by 1.7%, and the Shanghai Composite went up 0.8%. Japan's indices also closed in the positive territory, despite the economy's slower-than-expected pace of economic growth in the fourth quarter.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,32	↓ -2	↓ -1
US 10Y	2,74	↓ -5	↑ 4
JP 2Y	0,08	↓ 0	↓ -1
JP 10Y	0,60	↓ -2	↓ -2
GER 2Y	0,11	↓ -1	↑ 2
GER 10Y	1,70	↑ 0	↑ 5

CENTRAL BANKS' RATES

	Rate (%)	6M Consensus	1Y Consensus
Fed Funds	0,25	⇒ 0,25	⇒ 0,25
ECB Rate	0,25	⇒ 0,25	⇒ 0,25
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	0,24	⇒ 0	↑ 0
US 2Y Swap	0,43	↓ -1	↑ 3
US 5Y Swap	1,63	↑ 3	↑ 8
EUR 3M Euribor	0,29	↓ 0	↓ 0
EUR 2Y Swap	0,44	↑ 1	↓ -1
EUR 5Y Swap	1,01	↑ 1	↓ -1
GB 3M Libor	0,52	↑ 0	↑ 0
GB 2Y Swap	1,01	↑ 2	↓ -1
GB 5Y Swap	2,01	↑ 1	↓ 0
JP 3M Libor	0,14	↓ 0	↓ 0
JP 2Y Swap	0,18	↑ 0	↓ -1
JP 5Y Swap	0,31	↑ 1	↓ 0
CHF 3M Libor	0,02	⇒ 0	↑ 0
CHF 2Y Swap	0,05	↓ 0	↓ 0
CHF 5Y Swap	0,48	↑ 0	↑ 1

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	109,0	↓ -0,06	↑ 0,36
Gold	1 324	↑ 0,38	↑ 3,86

Source: Reuters, OTP Research

US import prices grew by 0.1% MoM in January, but the year/year gauge stood at -1.5%. The export price index paints a similar picture: export prices went up 0.2% in month/month terms, while the index dropped by 1.2% since the same period of the previous year. The rise in import prices was caused by fuel-adjusted consumer basket.

Industrial output contracted by 0.3% in January in the USA. Analysts had forecast 0.3% growth and explained the gap with the extremely cold weather. It was mostly the fall in manufacturing (-0.8%) and mining (-0.9%) that caused the decline. Only the heating-related industrial output gas increased meaningfully, by 4.1%.

According to the preliminary reading of the University of Michigan's survey, US consumer sentiment stood at 81.2 in February, indicating stagnation in comparison with the January gauge.

American stock markets are closed for Presidents' Day today.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	FR	Q4	GDP preliminary (q-o-q, %)	0,3	0,2	0,0
	DE	Q4	GDP preliminary (q-o-q, %)	0,4	0,3	0,3
	IT	Q4	GDP preliminary (q-o-q, %)	0,1	0,1	0,0
	EZ	Q4	GDP preliminary (q-o-q, %)	0,3	0,2	0,1
	US	Jan	Industrial output (m-o-m, %)	-0,3	0,3	0,3
	US	Jan	Manufacturing output (m-o-m, %)	-0,8	0,1	0,4
	US	Jan	Capacity utilization (%)	78,5	79,3	79,2
	US	Feb	Michigan consumer sentiment (points)	81,2	80,6	81,2
Monday	JP	Q4	GDP (q-o-q, %)	1,0	2,8	1,1

Source: Reuters, OTP Research

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

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

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