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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 066	↓ -0,27	↓ -2,35
S&P500	1 841	↓ -0,28	↓ -1,97
Nasdaq100	3 628	↓ -0,65	↓ -2,12
Russell2000	1 181	↑ 0,40	↓ -1,59
Stoxx600	322	↓ -0,70	↓ -3,25
DAX	9 056	↑ 0,43	↓ -3,15
FTSE 100	6 528	↓ -0,40	↓ -2,75
CAC40	4 216	↓ -0,80	↓ -3,44
ATX	2 387	↓ -0,86	↓ -6,11
IBEX35	9 812	↓ -1,39	↓ -3,47
Nikkei 225	14 278	↓ -0,35	↓ -5,57
Hang Seng	21 487	↓ -0,24	↓ -1,89
SSEC	2 019	↑ 0,71	↑ 0,98
SENSEX	21 810	↑ 0,71	↑ 0,98
RTS	1 065	↓ -1,22	↓ -8,08
Bovespa	45 444	↓ -0,91	↓ -1,73

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3902	↓ -0,09	↑ 0,19
EUR/CHF	1,2144	↑ 0,08	↓ -0,28
USD/GBP	1,6643	↑ 0,11	→ 0,00
USD/JPY	101,65	↑ 0,31	↓ -1,55
AUD/USD	0,9054	↑ 0,33	↑ 0,43
USD/CAD	1,1097	↓ -0,05	↓ -0,09

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	17,8	↑ 1,6	↑ 3,7
CDS 5Y PIIS	18	↑ 2	↑ 4
CDS 5Y Italy	119	↑ 3	↑ 3
CDS 5Y Belg.	123	↑ 7	↑ 6
iTraxx 5Y EU	27,1	↑ 1	↑ 0
US TED Spread	76,8	↓ 0	↑ 6

Source: Reuters, OTP Research

Summary

- Nearly all voters supported Crimea's split with Ukraine in Sunday's referendum. This outcome has not caused meaningful market turbulence so far.
- Europe's major indices moved mixed, and American benchmarks ended Friday's session lower.
- Instead of the expected small increase, the University of Michigan's consumer confidence index declined.

Sunday's referendum about Crimea matched expectations; nearly all voters opted for secession from Ukraine, according to preliminary results. Thus the local parliament may initiate joining Russia on Monday. Western powers are unlikely to accept the referendum's outcome; tough political and financial sanctions may be imposed against Russia.

In the first part of Friday's trading, sellers took the upper hand in Europe's key markets, owing to worries about China's economic growth and its shadow banking system, as well as the Russia-Ukraine tension. In the afternoon, the press conference following the meeting of Russia's and America's foreign ministers has somewhat calmed investors and helped Europe to some increase. Germany's DAX went up 0.4% in Friday's trading, while Britain's Fotsie dropped 0.4%, and France's CAC40 declined by 0.8%.

After US and European markets closed on Friday, Moody's Investors Service confirmed the EU's strongest possible rating, "Aaa", and improved its outlook to Stable from Negative, which had implied that a downgrade might have followed. The rating agency explained its move with the improving credit capacity of the EU's largest economies and the diminishing risks from the eurozone's debt crisis.

The sentiment in US trading was likewise indecisive. The unsupportive mood stemmed from the angst surrounding China's economic deceleration, the escalating Russia-Ukraine conflict, and the weaker-than-expected macroeconomic data from the USA. American benchmarks closed 0.3-0.6% lower. Of the S&P's sector indices, the public utilities sub-index's 0.5% gain was the strongest achievement. The weakest component was financials, which dropped by 0.6%.

Asia's key indices closed mixed this morning. Investors' uncertainty may have its roots in the outcome of Sunday's referendum in Crimea. China's stock markets ended today's trading 0.4-1% higher, while Japanese markets slipped 0.3-0.8%. The People's Bank of China doubled the yuan's trading band width; thus, starting from today's trading, the daily movement from the mid-rate is capped at +/- 2 percent, instead of +/- 1 percent.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,35	→ 0	↓ -3
US 10Y	2,64	↓ 0	↓ -15
JP 2Y	0,08	↓ -1	↑ 1
JP 10Y	0,62	↓ -2	↓ -1
GER 2Y	0,14	↓ -3	↓ -3
GER 10Y	1,53	↓ -7	↓ -12

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	0,23	↑ 0	↓ 0
US 2Y Swap	0,47	↑ 1	↓ -2
US 5Y Swap	1,63	↑ 2	↓ -5
EUR 3M Euribor	0,30	↓ 0	↑ 0
EUR 2Y Swap	0,47	↑ 0	↓ -1
EUR 5Y Swap	0,96	↑ 3	↓ -6
GB 3M Libor	0,52	↓ 0	↓ 0
GB 2Y Swap	0,95	→ 0	↓ -1
GB 5Y Swap	1,88	↓ -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	0,07	↑ 1	↓ -2
CHF 5Y Swap	0,46	↑ 1	↓ -2

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	108,1	↓ -0,44	↑ 0,01
Gold	1 384	↑ 0,16	↑ 3,39

Source: Reuters, OTP Research

According to preliminary results, the University of Michigan's consumer confidence index fell to 79.9 points in March, from 81.6 in the previous month. Analysts had expected 0.4-point improvement. The drop may be attributed to the significant decline in respondents' expectations for future growth. The sub-index fell to 69.4 points, its lowest since November 2013, from 72.7 points in the previous month. On the other hand, the current conditions sub-index improved in March: it reached 96, up from 95.4 in February.

Today the eurozone will publish inflation data; the USA will release industrial production figures, and well as the New York Fed manufacturing index.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	US	Mar	Michigan consumer confidence index, preliminary (points)	79,9	82,0	81,6
	EZ	Feb	Inflation, final (yoy, %)		0,8	0,8
	EZ	Feb	Inflation, final (mom, %)		0,4	-1,1
	US	Mar	NY Fed Manufacturing PMI (point)		6,50	4,48
	US	Feb	Industrial output (mom, %)		0,1	-0,3

Source: Reuters, OTP Research

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