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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 203	↓ -0,47	↑ 0,35
S&P500	2 108	↓ -0,45	↑ 0,17
Nasdaq100	4 459	↓ -0,54	↑ 0,17
Russell2000	1 235	↓ -0,63	↓ -0,03
Stoxx600	388	↓ -0,92	↑ 1,17
DAX	11 280	↓ -1,14	↑ 1,78
FTSE 100	6 889	↓ -0,74	↓ -0,87
CAC40	4 869	↓ -0,98	↑ 0,72
ATX	2 476	↓ -0,17	↓ -0,19
IBEX35	11 015	↓ -1,47	↑ 1,17
Nikkei 225	18 704	↓ -0,59	↓ -0,44
Hang Seng	24 546	↓ -0,63	↓ -1,43
SSEC	3 280	↑ 0,53	↓ -0,55
SENSEX	29 594	↑ 0,46	↓ -0,60
RTS	917	↑ 1,49	↑ 2,23
Bovespa	51 304	↑ 0,56	↓ -1,53

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1169	↓ -0,04	↓ -1,69
EUR/CHF	1,0730	↓ -0,07	↓ -0,40
USD/GBP	1,5359	↓ -0,02	↓ -1,08
USD/JPY	119,70	↓ -0,02	↑ 0,72
AUD/USD	0,7813	↑ 0,01	↓ -0,88
USD/CAD	1,2500	↑ 0,05	↑ 0,53
USD/RUB	61,89	↑ 0,11	↑ 1,30

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,9	↑ 0,8	↑ 0,2
CDS 5Y PIIS	14	↑ 1,0	↓ -5,1
CDS 5Y Italy	82	↑ 0,8	↓ -3,2
CDS 5Y Belg.	90	↓ -1,1	↓ -2,2
iTraxx 5Y EU	35,0	↑ 0,5	↑ 0,0
US TED Spread	50,6	→ 0,0	↑ 0,7

Source: Reuters, OTP Research

Summary

- Advanced markets' key stock indices ended in the red yesterday.
- The EUR/USD sank near 1.115, a level twice tested recently.
- The National Bank of Ukraine drastically increased its base rate, and India's central bank made a surprise rate cut the second time this year.

Developed economies' leading stock markets headed down on Tuesday: the Nasdaq100 closed below 5,000 in the USA, while the DAX slipped 1.1% and the CAC 40 shed 1% in Western Europe. The DAX's downward move was uninterrupted; of its 30 components, only Henkel, Merck, Beiersdorf and Lufthansa saw gains. Henkel's earnings report was as pleasing as analysts had forecast, and Lufthansa's 1.1% soaring may have roots in a recent publication of aircraft orders in the USA, which also made Boeing (+1.0%) the winner of the day yesterday among the Dow's constituents. Japan was rather gloomy this morning, largely owing to Sharp's 5.3% plunge following a downgrade by S&P.

The EUR/USD was rather volatile, this morning it traded near the 1.115 level it had tested twice since the end of February. On the back of the weaker-than-expected inventory data from the USA, crude oil price ground higher, reversing Monday's substantial fall. The Brent has been oscillating around 60 USD/barrel since mid-February, almost one-third above its January low. If it remains at this level, the deflationary pressure on the eurozone and the USA may be lighter than central bankers had thought a month ago.

In a bid to ease the mounting devaluation pressure caused by the shrinking currency reserves, the National Bank of Ukraine raised its base rate to 30% (from 19.5%) from today. The measure strengthened Ukraine's currency, the hryvnia as it pushed the USD/UAH below 25 (from near-34 levels). Yet this represents almost 100% depreciation over the past month. The most recent data (from January) show that the UAH's depreciation raised annual inflation to 28.5%, and core inflation was 26.1%. Yesterday the central bank declared Delta Bank, the country's fourth largest bank by assets, insolvent.

The central bank of India surprised markets with the second base rate cut this year, this time it lowered the rate to 7.5% from 7.75%. The move helped the stock markets of India, Taiwan and Shanghai, but Tokyo, Hong Kong and Seoul resumed the direction America started yesterday.

This morning Europe made subtle moves in both directions; investment mood seems to be improving since Tuesday.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,68	↑	2	↑	8
US 10Y	2,12	↑	4	↑	13
JP 2Y	0,03	↑	1	↓	-1
JP 10Y	0,41	↑	6	↑	4
GER 2Y	-0,20	↑	2	↑	1
GER 10Y	0,36	↑	3	↓	0

CENTRAL BANKS' RATES

	Rate (%)		6M Consensus		1Y Consensus
Fed Funds	0,25	↑	0,5	↑	1,00
ECB Rate	0,05	→	0,05	→	0,05
BOE Rate	0,50	→	0,50	↑	1,00
BOJ Rate	0,10	→	0,10	→	0,10
SNB Target	-0,75	→	-0,75	→	-0,75

MONEY MARKET

	Rate (%)		Daily chg (bp)		Weekly chg (bp)
US 3M Libor	0,26	↓	0	↓	0
US 2Y Swap	0,90	↓	-1	↑	7
US 5Y Swap	1,73	↑	1	↑	16
EUR 3M Euribor	0,04	↓	0	↓	-1
EUR 2Y Swap	0,10	↓	0	↓	-1
EUR 5Y Swap	0,28	↑	0	↑	1
GB 3M Libor	0,56	↓	0	↓	0
GB 2Y Swap	1,00	↑	3	↓	0
GB 5Y Swap	1,56	↓	-1	↑	1
JP 3M Libor	0,10	→	0	→	0
JP 2Y Swap	0,13	↓	0	↓	0
JP 5Y Swap	0,22	↓	-1	↑	1
CHF 3M Libor	-0,86	↓	-1	↑	4
CHF 2Y Swap	-0,76	→	0	↑	0
CHF 5Y Swap	-0,36	→	0	↑	0

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	60,7	↓	-0,56	↓	-1,54
Gold	1 206	↑	0,19	↑	0,10

Source: Reuters, OTP Research

Germany's retail sector ended a surprisingly strong month in January; this bodes well for today's publication on the eurozone. In the USA, the 'precursor' of Friday's official labour market statistics, the ADP labour market report will see the light of day in the afternoon, and the Fed's Beige Book will be out in the evening.

Nevertheless, markets may be waiting to see the ECB's rate decision on Thursday and US job market statistics on Friday.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	DE	Jan	Retail sales (m-o-m, %)	2,9	0,4	0,6
	US	Feb	Vehicle sales (million)	16,2	16,7	16,7
Wednesday	EZ	Jan	Retail sales (m-o-m, %)		0,1	0,3
	US	Feb	ADP national employment (mom, ths)		220	213

Source: Reuters, OTP Research

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