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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 849	↓ -0,71	↑ 1,78
S&P500	2 074	↓ -0,33	↑ 1,81
Nasdaq100	4 376	↑ 0,12	↑ 1,08
Russell2000	1 242	↑ 0,20	↑ 2,18
Stoxx600	397	↓ -0,71	↑ 2,70
DAX	11 981	↓ -1,54	↑ 5,80
FTSE 100	6 838	↑ 0,49	↑ 2,01
CAC40	5 029	↓ -0,64	↑ 3,67
ATX	2 501	↓ -0,91	↑ 1,73
IBEX35	11 028	↓ -0,78	↑ 1,95
Nikkei 225	19 544	↑ 0,55	↑ 4,38
Hang Seng	24 185	↑ 1,18	↑ 1,97
SSEC	3 574	↑ 2,03	↑ 8,60
SENSEX	28 736	↑ 1,05	↓ -0,60
RTS	823	↑ 1,22	↓ -3,84
Bovespa	50 285	↑ 2,94	↑ 1,15

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0597	↑ 0,29	↑ 0,41
EUR/CHF	1,0661	↑ 0,12	↑ 0,15
USD/GBP	1,4744	↓ -0,55	↓ -1,21
USD/JPY	121,32	↓ -0,02	↓ -0,10
AUD/USD	0,7605	↓ -0,16	↑ 0,16
USD/CAD	1,2797	↑ 0,07	↑ 0,37
USD/RUB	61,38	↓ -0,28	↓ -0,37

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	15,7	↑ 0,1	↓ -1,0
CDS 5Y PIIS	16	↑ 1,2	↑ 2,1
CDS 5Y Italy	76	↑ 2,5	↑ 6,1
CDS 5Y Belg.	89	↓ 0,0	⇒ 0,0
iTraxx 5Y EU	33,9	↑ 0,6	↓ 0,0
US TED Spread	50,2	⇒ 0,0	↓ -3,1

Source: Reuters, OTP Research

Summary

- The press conference following the Fed's rate decision may deliver fresh information about the beginning of the interest rate hikes.
- Tuesday's trading sentiment was unhelpful on both sides of the Atlantic.
- Asia's indices closed higher this morning.
- The EUR regained some ground from the USD and the CHF.

In Tuesday's negative sentiment on Europe's stock markets, the DAX slipped 1.5%, and the Stoxx600 slid 0.7%. The major stock indices of the USA did not fare much better: the Dow closed 0.7% down, the S&P500 dropped 0.3%, while the Nasdaq100 and the Russel2000 could creep 0.1-0.2% higher.

The reason for the anxiety is the waiting game before the Fed's post-rate-setting news conference. The market is waiting for new information about the start date of the interest rate hikes. Europe's stock markets were also hit by the mounting uncertainty about Greece, and the weaker-than-expected German ZEW economic sentiment index for March.

Asia's key stock indices closed with nice gains this morning. The Nikkei225 advanced 0.6%, the Hang Seng upped by 1.2% and the SSEC closed 2% higher.

The euro somewhat strengthened versus the US dollar and the Swiss franc.

The Brent crude became 0.92% cheaper, costing less than 53 USD/barrel.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,67	↑	2	↓	-1
US 10Y	2,06	↓	-2	↓	-7
JP 2Y	0,02	↑	0	↓	-2
JP 10Y	0,41	↓	0	↓	-4
GER 2Y	-0,20	↑	2	↑	1
GER 10Y	0,27	↑	2	↓	-5

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	0,27	↓	0	↑	0
US 2Y Swap	0,91	↓	0	↓	-2
US 5Y Swap	1,66	↓	-1	↓	-6
EUR 3M Euribor	0,03	→	0	↓	-1
EUR 2Y Swap	0,10	↓	0	↑	2
EUR 5Y Swap	0,28	↑	0	↑	3
GB 3M Libor	0,56	↑	0	↑	0
GB 2Y Swap	0,95	↑	2	↑	0
GB 5Y Swap	1,43	↓	-2	↓	0
JP 3M Libor	0,10	↑	0	↑	1
JP 2Y Swap	0,14	↑	0	↑	0
JP 5Y Swap	0,24	↓	-2	↓	0
CHF 3M Libor	-0,80	↑	0	↓	-3
CHF 2Y Swap	-0,76	→	0	→	0
CHF 5Y Swap	0,00	↑	36	↑	36

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	53,0	↓	-0,92	↓	-7,86
Gold	1 148	↓	-0,06	↓	-0,53

Source: Reuters, OTP Research

The increase in the March reading of Germany's ZEW economic sentiment index was short of expectations. Analysts had forecast 58.2, but the fact was 54.8, only 1.8 points higher than in the previous month.

Statistics on the US construction industry seem to lack consistency. In February, 1,092 million building permits were issued, whereas economists had projected 1,065 million. On the other hand, housing starts shrank to 897 million, vastly less than analysts had expected (1,049 million). The unusually harsh weather also played part in it, so a correction could come later.

Undoubtedly, today's most important economic event is the news conference subsequent to the Fed's rate decision, where investors may obtain fresh information as to the beginning of the rate hike cycle. The weaker-than-expected growth statistics and the falling oil price have given rise to views that the Fed will be 'patient', and wait before tightening its monetary policy.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	DE	Mar	Zew economic sentiment index (point)	54,8	58,2	53,0
	EZ	Feb	CPI (final, y-o-y, %)	-0,3	-0,3	-0,3
	US	Feb	Building permits (million)	1 092,0	1 065	1 060
	US	Feb	Housing starts (million)	897	1 049	1 065
Wednesday	UK	Mar	Bank of England minutes		-	-
	UK	Jan	Unemployment rate (%)		6	5,7
	PL	Feb	Industrial output (y-o-y, %)		4,0	1,7
	PL	Feb	Retail sales (y-o-y, %)		0,0	0,1
	US	Mar	Base rate (%)		0,25	0,25

Source: Reuters, OTP Research

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