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# Daily Report – Global markets

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 076	↑ 1,27	↑ 1,21
S&P500	2 100	↑ 1,22	↑ 1,67
Nasdaq100	4 423	↑ 1,07	↑ 2,72
Russell2000	1 252	↑ 0,80	↑ 1,25
Stoxx600	399	↑ 0,33	↑ 0,47
DAX	11 923	↓ -0,48	↑ 1,48
FTSE 100	6 945	↑ 1,57	↑ 3,33
CAC40	5 033	↑ 0,09	↑ 0,62
ATX	2 482	↓ -0,75	↓ -0,22
IBEX35	11 050	↑ 0,20	↑ 0,06
Nikkei 225	19 477	↓ -0,35	↑ 2,56
Hang Seng	24 420	↑ 1,24	↑ 2,61
SSEC	3 583	↑ 0,15	↑ 6,97
SENSEX	28 622	↓ -0,40	↓ -0,60
RTS	841	↑ 2,22	↓ -2,97
Bovespa	51 526	↑ 2,47	↑ 2,82

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0865	↑ 2,47	↑ 0,53
EUR/CHF	1,0625	↓ -0,34	↓ -0,27
USD/GBP	1,4976	↑ 1,57	↑ 0,64
USD/JPY	120,70	↑ 0,51	↓ -0,48
AUD/USD	0,7683	↓ -1,11	↓ -0,31
USD/CAD	1,2641	↑ 0,62	↓ -0,35
USD/RUB	59,35	↑ 0,88	↓ -2,09

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	14,0	↓ -1,7	↓ -2,9
CDS 5Y PIIS	14	↑ 8,2	↑ 9,3
CDS 5Y Italy	83	↑ 12,5	↑ 13,5
CDS 5Y Belg.	98	↑ 1,2	↑ 1,1
iTraxx 5Y EU	35,1	↑ 1,2	↑ 2,3
US TED Spread	51,4	⇒ 0,0	↓ -2,6

Source: Reuters, OTP Research

**Summary**

- The Fed's post-rate-setting communication opened the way for raising the interest rate this summer, but the Fed lowered its own forecast on the base rate.
- Consequently the dollar weakened but the depreciation reversed this morning.
- The expectation for lower base rate path brought optimism to US stock markets.

Investors have been long waiting for the Fed's yesterday meeting, hoping that it will specify the start date of the interest rate hikes. The Fed's announcement omitted the 'magic' word '*patient*', opening the door for raising interest rate starting from June. However, the Fed's 'dot plot' chart reveals that members now expect about 50 basis points lower interest rates by the end of 2015, 2016 and 2017 than they did in December (2015: 0.63% vs. 1.13%, 2016: 1.88% vs. 2.38%, 2017: 3.13% vs. 3.63%). What it means for this year is that there will be only one move after the interest rate rise in June, which more looks like a scenario in which rates would be raised only from September.

The Fed also reduced macroeconomic forecasts, at least its growth and inflations projections, but it expects lower unemployment rate. Interestingly, it revised not only this year's growth forecast but also those for 2016 and 2017 (2016: 2.5% vs. 2.7%, 2017: 2.2% vs. 2.4%). That said, the forecast comes with lower estimate on joblessness in the long term. This can be interpreted as the acceleration of wage increases may require lower unemployment rate than had been expected. The forecasts also suggest that short-term uncertainty is not the only reason for a slower beginning of rate hikes.

In the initial reaction, the dollar made losses against the major currencies; the EUR/USD rose to 1.1040. The SP500 index also made a nice gain. However, currency markets have undergone noticeable correction since then, and the dollar's appreciation led the EUR/USD to 1.064.

Today the eurozone's key decision makers will hold Greek debt talks. The EU's leading officials asked Greece to avoid unilateral steps. Germany's Finance Minister warned Greece to make commitment to the rescue package and to the measures required by it.

**GOV'T BOND MARKET**

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,55	↓ -12	↓ -13
US 10Y	1,92	↓ -14	↓ -19
JP 2Y	0,01	↓ -1	↓ -3
JP 10Y	0,36	↓ -5	↓ -5
GER 2Y	-0,20	↑ 0	↑ 4
GER 10Y	0,27	↑ 0	↑ 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	0,79	↓ -5	↓ -12
US 5Y Swap	1,51	↓ -8	↓ -21
EUR 3M Euribor	0,03	→ 0	↓ 0
EUR 2Y Swap	0,08	↓ -1	↓ -1
EUR 5Y Swap	0,24	↓ -4	↓ -3
GB 3M Libor	0,56	↑ 0	↑ 0
GB 2Y Swap	0,88	↓ -4	↑ 0
GB 5Y Swap	1,33	↓ -2	↓ -1
JP 3M Libor	0,10	→ 0	↑ 1
JP 2Y Swap	0,14	↓ 0	↑ 0
JP 5Y Swap	0,23	↓ -2	↓ -1
CHF 3M Libor	-0,81	↓ 0	↓ -2
CHF 2Y Swap	0,00	↑ 76	↑ 76
CHF 5Y Swap	0,00	↑ 36	↑ 36

**COMMODITIES**

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	55,4	↓ -0,98	↓ -3,01
Gold	1 169	↑ 0,23	↑ 1,40

Source: Reuters, OTP Research

Wednesday's much-awaited Fed decision stole the show from other publications. In the United Kingdom, the unemployment rate grew to 5.7%. In today's releases, the Philadelphia Fed index will see the light of day in America, as will the US current account balance for Q4. Elsewhere, the eurozone will publish wage increases in the fourth quarter.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	UK	Mar	Bank of England minutes	-	-	-
	UK	Jan	Unemployment rate (%)	5,7	5,6	5,7
	PL	Feb	Industrial output (y-o-y, %)	4,9	4,0	1,7
	PL	Feb	Retail sales (y-o-y, %)	-1,3	0,0	0,1
	US	Mar	Base rate (%)	0	0,25	0,25
Thursday	US	Q4	Current account (USD bn)		-103,2	-100,3
	US	Mar	Philly Fed business index (points)		7,1	5,2
	EZ	Q4	Wages in Euro Zone			1,4

Source: Reuters, OTP Research

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