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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 007	↑ 0,37	↑ 2,20
S&P500	2 000	↑ 0,33	↑ 2,67
Nasdaq100	4 329	↑ 0,07	↑ 2,20
Russell2000	1 082	↑ 0,55	↑ 4,67
Stoxx600	342	↑ 0,70	↑ 3,09
DAX	9 824	↑ 0,74	↑ 3,27
FTSE 100	6 199	↑ 1,13	↑ 1,70
CAC40	4 457	↑ 0,92	↑ 3,29
ATX	2 231	↑ 0,86	↑ 3,94
IBEX35	8 812	↑ 0,51	↑ 5,54
Nikkei 225	16 911	↓ -0,61	↑ 5,52
Hang Seng	20 162	↓ -0,07	↑ 5,50
SSEC	2 888	↑ 0,48	↑ 7,44
SENSEX	24 646	↑ 0,16	↓ -0,60
RTS	818	↑ 2,46	↑ 8,03
Bovespa	49 085	↑ 4,01	↑ 18,01

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1001	↑ 0,42	↑ 1,08
EUR/CHF	1,0927	↑ 0,52	↑ 0,63
USD/GBP	1,4225	↑ 0,34	↑ 2,23
USD/JPY	113,66	↓ -0,08	↑ 0,89
AUD/USD	0,7403	↓ -0,50	↑ 3,71
USD/CAD	1,3347	↑ 0,26	↓ -1,41
USD/RUB	71,80	↓ -0,17	↓ -4,59

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	16,9	↑ 0,2	↓ -3,0
CDS 5Y PIIS	17	↓ -0,4	↓ -18,9
CDS 5Y Italy	119	↓ -1,2	↓ -11,9
CDS 5Y Belg.	115	↓ -0,7	↓ -0,8
iTraxx 5Y EU	33,8	↓ -3,1	↓ -10,6
US TED Spread	92,1	⇒ 0,0	↑ 4,3

Source: Reuters, OTP Research

Summary

- Europe's and America's key benchmarks ended Friday's trading with gains.
- Oil prices rose further on Friday.
- US non-farm payrolls grew by 242,000 in February, more than the expected 190,000 increase.

After the initial uncertainty, Western Europe gained impetus and the leading indices ended Friday's trading with near-1% gains. The optimism stemmed from the better-than-expected US labour market data add to hopes that China may announce further stimulus measures. Of the Stoxx600's 19 sector indices, commodity producers were the strongest performers, closing the sixth consecutive day in positive territory on Friday, benefiting from an increase in the main basic materials' prices. Big commodity producers, such as Glencore, Anglo American, BHP Billiton, and Rio Tinto surged 5.9%-11.9%. Car manufacturers also fared well on Friday, headed by Volkswagen's 4.2% rally.

US indices opened with modest gains on Friday and buyer's sustained optimism allowed them to close higher. The better-than-expected labour market data eased investors' anxiety that the US economy is in doldrums, without adding to fears that a base rate hike might follow. Only two of the S&P's eleven sector indices closed in the red, and the basic material sub-index (+1.2%) was its strongest component. Utilities and energy upped by 1.1% and 1% respectively. Of the Dow's components, Caterpillar' 1.5% increase was the best performance, while Home Depot (-1%) was one of the weakest names on Friday.

Asia's indices closed mixed this morning. Japan's stock shed near 1%. China's Shanghai Composite and Hong Kong's Hang Seng closed in positive territory today, greatly benefiting from the message of the top official of China's National Development and Reform Committee that China is not heading for hard landing.

Oil prices increased again on Friday. The WTI oil rose from 34.6 USD/barrel to 36.3 by US market close. The Brent also marched 1.6% higher.

GOV'T BOND MARKET				
	Yield (%)	Daily chg (bp)	Weekly chg (bp)	
US 2Y	0,88	↑ 3	↑ 8	
US 10Y	1,88	↑ 4	↑ 12	
JP 2Y	-0,19	↑ 2	↑ 3	
JP 10Y	-0,03	↓ -1	↑ 2	
GER 2Y	-0,58	↓ -3	↓ -5	
GER 10Y	0,17	↓ -5	↑ 4	

CENTRAL BANKS' RATES				
	Rate (%)	6M Consensus	1Y Consensus	
Fed Funds	0,5	↑ 0,75	↑ 1,25	
ECB Rate	0,05	→ 0,05	→ 0,05	
BOE Rate	0,50	↑ 0,75	↑ 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	0,63	↑ 0	→ 0	
US 2Y Swap	0,90	↓ 0	↑ 7	
US 5Y Swap	1,27	↓ 0	↑ 15	
EUR 3M Euribor	-0,22	↓ 0	↓ -1	
EUR 2Y Swap	-0,19	↑ 0	↑ 3	
EUR 5Y Swap	0,00	↑ 5	↑ 4	
GB 3M Libor	0,59	↑ 0	↓ 0	
GB 2Y Swap	0,78	↑ 2	↑ 2	
GB 5Y Swap	1,01	↑ 5	↑ 11	
JP 3M Libor	-0,01	↓ -1	↓ 0	
JP 2Y Swap	-0,16	↓ -1	↑ 2	
JP 5Y Swap	-0,13	↓ -2	↑ 1	
CHF 3M Libor	-0,80	↓ 0	↑ 1	
CHF 2Y Swap	-0,88	↑ 3	↑ 2	
CHF 5Y Swap	-0,70	↑ 2	→ 0	

COMMODITIES				
	Close	Daily chg. (%)	Weekly chg. (%)	
Oil Brent	39,3	↑ 1,60	↑ 9,37	
Gold	1 263	↑ 0,29	↑ 2,02	

Source: Reuters, OTP Research

In the USA, non-farm payrolls grew by 242,000 in February, in a huge surprise for markets, as analysts had predicted 190,000 growth. Moreover, the weak January gauge was revised upwards, from 151,000 to 172,000, and the statistics office's revision raised the strong December figure from 262,000 to 271,000. The only cause for concern in the report is the average hourly earnings gauge, which dropped by 0.1% month/month in February, bringing down the annual growth rate from 2.5% to 2.2%. In line with expectations, the unemployment rate stagnated at 4.9% from the previous month. Activity rate was at a nine-month high of 62.9% in the second month of the year. This is particularly important because the Fed's chair repeatedly pointed out that even though labour conditions have improved since the financial crisis, the activity rate continued to drop.

According to preliminary data, German factory orders shrank by 0.1% month/month in the first month of the 2016, while analysts polled by Reuters had expected a more marked 0.3% drop. The December figure was revised from 0.7% contraction to 0.2% decline. In January, domestic demand fell by 1.6%, while foreign orders for German goods increased by 1% (within that, orders from other eurozone members were up 7.5%)

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	CZ	Q4	GDP (final, yoy, %)	4,0	-	3,9
	CZ	Q4	GDP (final, qoq, %)	0,0	-	-0,1
	US	Feb	Non-Farm Payrolls (mom, thousands)	242	190	151
	US	Jan	International Trade (monthly, bn USD)	-45,7	-44,0	-43,4
	US	Feb	Unemployment rate (%)	4,9	4,9	4,9
	US	Feb	Average Earnings (mom, %)	-0,1	0,2	0,5
Monday	DE	Jan	Industrial orders (mom, %)	-0,1	-0,3	-0,7
	EZ	Mar	Sentix Index (point)		8,0	6,0

Source: Reuters, OTP Research

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