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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 074	↑ 0,40	↑ 3,38
S&P500	2 002	↑ 0,09	↑ 3,60
Nasdaq100	4 303	↓ -0,59	↑ 2,43
Russell2000	1 094	↑ 1,13	↑ 3,76
Stoxx600	341	↓ -0,25	↑ 2,10
DAX	9 779	↓ -0,46	↑ 2,99
FTSE 100	6 182	↓ -0,27	↑ 1,40
CAC40	4 442	↓ -0,32	↑ 2,04
ATX	2 233	↑ 0,10	↑ 3,64
IBEX35	8 787	↓ -0,28	↑ 3,85
Nikkei 225	16 783	↓ -0,76	↑ 4,34
Hang Seng	20 069	↓ -0,45	↑ 3,41
SSEC	2 901	↑ 0,14	↑ 6,15
SENSEX	24 681	↑ 0,14	↓ -0,60
RTS	839	↑ 2,56	↑ 9,16
Bovespa	49 246	↑ 0,33	↑ 15,08

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1012	↑ 0,10	↑ 1,48
EUR/CHF	1,0964	↑ 0,34	↑ 0,97
USD/GBP	1,4263	↑ 0,27	↑ 2,27
USD/JPY	112,89	↓ -0,48	↓ -0,96
AUD/USD	0,7418	↓ -0,64	↑ 3,40
USD/CAD	1,3321	↑ 0,33	↓ -0,63
USD/RUB	71,60	↑ 0,35	↓ -2,43

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	17,4	↑ 0,5	↓ -3,2
CDS 5Y PIIS	17	↓ -0,1	↓ -16,7
CDS 5Y Italy	119	↓ -1,7	↓ -11,5
CDS 5Y Belg.	114	↓ 0,0	↑ 0,1
iTraxx 5Y EU	34,6	↓ -2,1	↓ -8,4
US TED Spread	90,0	→ 0,0	↑ 4,3

Source: Reuters, OTP Research

Summary

- Western Europe's stock indices dipped into the red on Monday, but a rise in oil prices helped indices correct at the end of trading.
- The Brent and the WTI prices surged more than 5% each.
- US stock markets benefited from the energy and commodity sectors' gains, while the technology and consumption sectors were abandoned.
- China's exports fell sharper than had been thought.

Reversing the up moves made in recent weeks, Western Europe's stock markets opened lower yesterday. The Stoxx600 shed 0.3%, dragged down mostly by banking, technology and car manufacturing names, but in the last hours of trading the increase in oil prices helped reduce losses. The negative view on Italian banks weighed on Europe's equity indices again: Banca Monte dei Paschi di Siena, which had already suffered huge losses, fell 2%, and Banco Popolare dived more than 4%. The Milan stock index's 1.2% drop was the worst performance in the region. Some stocks were driven by corporate news: Spain's Fomento de Construcciones y Contratas construction company went through the roof (+15%), on the back of reports on acquisition by Mexican billionaire Carlos Slim. The price of Electricité de France plunged about 7%, on news that its CFO was leaving. Ahead of the ECB's Thursday meeting, investors are likely to wait and see; Europe's index futures are falling as China released weaker-than-expected trade balance data.

America's key indices booked modest gains; the Dow has been rising for the fifth day in a row. However, the technology sector was not the favourite of investors yesterday; the NASDAQ decreased by 0.6%. The indices' increase may have benefited from news that China is planning 6.5-7.0% GDP growth this year, but it lets its budget deficit jump high. As a result, commodity producers came in second within the S&P; Vale advanced 6.2%, and BHP Billiton surged 5.4%. Alcoa jumped almost 5% higher. The winner of the day was the energy sector; oil shares increased in sync with oil prices, ending the day 2.4% higher. Consumption and technology were the weakest sectors; nearly all of the latter's segments were under selling pressure: Facebook contracted by 2.5%, Google's parent company Alphabet shrank by 2.4%, Microsoft slipped 1.9%, and Apple shed 1.1%. Netflix plunged 6%, and Amazon, operating in the technology and consumption sectors, dipped 2.2%.

Asia's markets closed mixed. The Nikkei and the Hangs Seng closed lower; the JPY's firming dented Japanese exporters' share prices. The weak GDP reading did not encourage investors, either. The Shanghai Composite closed with modest gain.

The Brent and the WTI both jumped 5.5% higher each, the former exceeding 40 USD/barrel yesterday.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,91	↑	4	↑	13
US 10Y	1,91	↑	3	↑	17
JP 2Y	-0,20	↓	-1	↑	3
JP 10Y	-0,04	↓	-1	↑	1
GER 2Y	-0,55	↑	3	↓	-1
GER 10Y	0,22	↑	4	↑	8

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	0,00	↓	0	↓	0
US 2Y Swap	0,91	↓	-3	↑	4
US 5Y Swap	1,28	↓	-3	↑	7
EUR 3M Euribor	-0,22	↓	0	↓	-1
EUR 2Y Swap	-0,21	↓	0	↑	0
EUR 5Y Swap	0,00	↓	0	↑	2
GB 3M Libor	0,00	↑	0	↓	0
GB 2Y Swap	0,79	↑	1	↑	2
GB 5Y Swap	1,03	↑	2	↑	17
JP 3M Libor	0,00	→	0	↓	0
JP 2Y Swap	-0,17	↓	0	↑	2
JP 5Y Swap	-0,15	↓	-3	↓	0
CHF 3M Libor	0,00	↑	0	↑	1
CHF 2Y Swap	-0,87	↑	1	↑	6
CHF 5Y Swap	-0,67	↑	1	↑	4

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	40,3	↓	-1,25	↑	9,56
Gold	1 270	↑	0,23	↑	3,09

Source: Reuters, OTP Research

China's exports contracted by 25% year/year in February (in USD terms), extending the 11% year/year fall in January, and exceeding analysts' consensus by a large margin. That said, analysts attribute part of the huge fall in exports to the distortion caused by the Chinese Lunar New Year. Accordingly, the March export data are likely to swing in the other direction. Imports also undershot expectations, but dropped by 14% year/year only.

Causing a great surprise, German industrial production statistics expanded by 3.3% year/year in January.

The eurozone's revised GDP statistics for the fourth quarter was released today. The year/year figure was revised to 1.6%, in a tiny change from the first release.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	JP	Q4	GDP revised (annualised, qoq, %)	-1,1	-1,5	-1,4
	DE	Jan	Industrial orders (mom, %)	-0,1	-0,3	-0,7
	EZ	Mar	Sentix Index (point)	5,5	8,0	6,0
Tuesday	CH	Feb	Export (yoy, %)	-25,4	-12,5	-11,2
	CH	Feb	Import (yoy, %)	-13,8	-10,0	-18,8
	EZ	Q4	GDP, revised (qoq, %)	0,3	0,3	0,3
	EZ	Q4	GDP, revised (yoy, %)	1,6	1,5	1,5
	DE	Jan	Industrial output (yoy, %)	3,3	0,5	-1,2

Source: Reuters, OTP Research

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