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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 000	↑ 0,21	↑ 0,60
S&P500	1 989	↑ 0,51	↑ 0,14
Nasdaq100	4 293	↑ 0,65	↓ -0,95
Russell2000	1 073	↑ 0,46	↓ -0,31
Stoxx600	339	↑ 0,49	↓ -0,54
DAX	9 723	↑ 0,31	↓ -0,55
FTSE 100	6 146	↑ 0,34	↓ -0,01
CAC40	4 426	↑ 0,49	↑ 0,02
ATX	2 248	↑ 0,49	↑ 1,85
IBEX35	8 761	↑ 0,24	↓ -0,04
Nikkei 225	16 852	↑ 1,26	↓ -0,64
Hang Seng	20 007	↑ 0,06	↑ 0,33
SSEC	2 805	↓ -2,02	↓ -1,92
SENSEX	24 496	↓ -1,20	↓ -0,60
RTS	836	↓ -0,43	↑ 7,11
Bovespa	48 665	↓ -0,89	↑ 8,40

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0997	↓ -0,11	↑ 0,10
EUR/CHF	1,0970	↑ 0,07	↑ 0,60
USD/GBP	1,4215	↑ 0,01	↑ 0,27
USD/JPY	113,49	↑ 0,16	↓ -0,16
AUD/USD	0,7466	↓ -0,25	↑ 1,59
USD/CAD	1,3269	↑ 0,15	↓ -0,97
USD/RUB	71,16	↑ 0,09	↓ -2,48

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	18,3	↓ -0,3	↑ 1,3
CDS 5Y PIIS	18	↓ -0,7	↓ -4,3
CDS 5Y Italy	118	↓ -0,8	↓ -6,4
CDS 5Y Belg.	113	↓ 0,0	↑ 0,0
iTraxx 5Y EU	34,6	↓ -0,6	↓ -4,5
US TED Spread	90,8	⇒ 0,0	↑ 0,6

Source: Reuters, OTP Research

Summary

- The ECB's policy meeting today may decide to launch further easing measures.
- Wednesday's trading was sanguine on Europe's and America's equity markets.
- Unfavourable export data were released about the German economy.

In Wednesday's optimistic sentiment across Europe, the Stoxx600 and the CAC40 upped by 0.5% each; the DAX and the FTSE100 both climbed 0.3% higher. Moody's announced not to issue credit rating on Russia's local-currency-denominated debt, citing a new regulation taking effect in 2017, which allows LC debt rating only for companies that have a subsidiary or affiliate company in the given country. Société Générale announced plans to cut 550 jobs by 2020, in a bid to streamline workforce in administration centres to curb costs.

Today's most important market-moving event will be the ECB Monetary Council's policy meeting and the subsequent press briefing. Markets expect the ECB to reduce deposit rates by 10-15 basis point (from -30 bp), and to boost its asset purchases by EUR 10-20 billion. Back in January, Mario Draghi said after the board's meeting that the ECB might take further easing measures, depending on the growth and inflation data. An examination of the eurozone's macroeconomic data published in the past two months shows that negative risks have intensified. In February the eurozone sank into deflation again, while the purchasing managers' indices, signifying economic prospects, have fallen considerably. Because of the intensified hopes, a below-expectations decision may disappoint markets.

America's key indices also fared well: the Dow rose by 0.2%, the NASDAQ100 grew by 0.7%, the S&P500 and the Russel2000 gained 0.5% each.

Asia's stock markets closed mixed this morning. The Nikkei225 added 1.26%, the Hang Seng inched up 0.1%, while the SSEC fell 2%, and the SENSEX dipped 1.2%.

The Brent oil's price grew by 2.7%, to USD 40.9 yesterday but it somewhat reversed this morning.

Working off the morning's loss, the dollar strengthened against the euro, pushing the EUR/USD 0.2% higher by the end of Wednesday. This morning the greenback's appreciation persisted, amid speculation what the ECB's policy decision may bring.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,89	↑	2	↑	5
US 10Y	1,88	↑	5	↑	4
JP 2Y	-0,18	↑	3	↑	3
JP 10Y	-0,02	↑	6	↑	0
GER 2Y	-0,56	↓	-1	→	0
GER 10Y	0,21	↓	0	↑	5

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	↓	-2	↑	4
US 5Y Swap	1,26	↓	-2	↑	3
EUR 3M Euribor	-0,22	↓	0	↓	-2
EUR 2Y Swap	-0,20	↓	-1	↑	3
EUR 5Y Swap	0,02	↑	1	↑	7
GB 3M Libor	0,00	↓	0	↓	0
GB 2Y Swap	0,78	↑	1	↑	1
GB 5Y Swap	1,02	↑	5	↑	9
JP 3M Libor	0,00	↑	0	↓	0
JP 2Y Swap	-0,14	↑	1	↑	1
JP 5Y Swap	-0,09	↑	1	↑	2
CHF 3M Libor	0,00	↑	0	↑	1
CHF 2Y Swap	-0,88	↓	-1	↑	3
CHF 5Y Swap	0,00	↑	3	↑	4

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	40,7	↓	-0,85	↑	9,85
Gold	1 246	↓	-0,56	↓	-1,40

Source: Reuters, OTP Research

The UK industrial production statistics for January were released yesterday; the output volume rose by 0.3%, wrong-footing analysts who had estimated 0.5% growth.

Surprisingly, US wholesale inventories data for January rose by 0.3%, whereas analysts had forecast 0.2% *decline*.

Today's publication of Germany's December exports data was disappointing, as the volume contracted by 0.5%, missing expectations of 0.5% *expansion*.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	CZ	Feb	CPI (YoY, %)	0,5	0,5	0,6
	UK	Jan	Industrial output (yoy, %)	0,3	0,5	-1,1
	US	Jan	Wholesale inventories (mom, %)	0,3	-0,2	-0,1
Thursday	FR	Jan	Industrial output (mom, %)	1,3	0,8	-1,6
	DE	Dec	Exports (mom, %)	-0,5	0,5	-1,6
	CN	Feb	Consumer price index (yoy, %)	2,3	1,9	1,8
	EZ	Mar	ECB deposit rate (%)		-0,4	-0,3

Source: Reuters, OTP Research

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