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Daily Report – Global Markets



STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 583	↓ -0,23	↑ 1,92
S&P500	2 050	↓ -0,09	↑ 1,68
Nasdaq100	4 438	↑ 0,24	↑ 1,62
Russell2000	1 097	↓ -0,11	↑ 2,12
Stoxx600	340	↓ -0,15	↓ -0,16
DAX	9 990	↑ 0,42	↑ 0,57
FTSE 100	6 193	↑ 0,13	↑ 0,86
CAC40	4 432	↑ 0,09	↓ -0,91
ATX	2 292	↓ -0,28	↓ -0,28
IBEX35	8 992	↓ -0,32	↑ 0,04
Nikkei 225	17 001	↓ -0,28	↑ 0,16
Hang Seng	20 523	↓ -0,70	↑ 1,31
SSEC	2 990	↓ -0,31	↑ 4,17
SENSEX	25 188	↓ -0,56	↓ -0,60
RTS	889	↑ 0,61	↑ 8,20
Bovespa	51 010	↓ -0,32	↑ 8,23

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1214	↓ -0,22	↓ -0,16
EUR/CHF	1,0909	↑ 0,07	↓ -0,42
USD/GBP	1,4206	↓ -1,11	↓ -0,36
USD/JPY	112,33	↓ -0,03	↓ -0,21
AUD/USD	0,7618	↓ -0,04	↑ 0,93
USD/CAD	1,3076	↑ 0,25	↓ -0,15
USD/RUB	67,54	↑ 0,43	↓ -2,44

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	14,2	↑ 0,4	↓ -2,7
CDS 5Y PIIS	14	↑ 7,6	↑ 6,9
CDS 5Y Italy	112	↑ 9,5	↑ 12,5
CDS 5Y Belg.	109	↑ 2,1	↑ 1,7
iTraxx 5Y EU	35,9	↑ 1,0	↓ -12,5
US TED Spread	70,8	⇒ 0,0	↑ 1,8

Source: Reuters, OTP Research

Summary

- The adverse effect of the Brussels terror attacks faded on stock markets by the end of Tuesday, but airline shares fell.
- Speaking at a meeting with analysts, Ford's CFO said that even a 30% fall in car sales would keep the company profitable.
- Asia's stock markets and the Brent opened in the red this morning.

Tuesday morning's Brussels terror attacks caused gloomy sentiment on stock markets, but most indices ended the day in positive territory. The Stoxx600 shed 0.15%, the DAX upped by 0.4%, the CAC40 crept 0.1% higher, and the FTSE100 added 0.13%. In a quiet and low-volatility US trading, the S&P500 edged 0.1% higher, while the DJIA inched down 0.1%, breaking a seven-day winning streak. Although the key stock indices closed near the previous day's closing price, Tuesday morning's events damaged airlines shares. Air France-KLM stocks descended 4.6%, Lufthansa and American Airlines sank 1.6% each, and Delta Airlines went down 1.4%.

Nike's earnings report, published yesterday, reveals USD 8 billion revenue, less than expected (8.2 bn), owing to the strong dollar, the lower average sales price, and the accumulating stock. Its Q4 profit hit USD 950 million, topping expectations. Although investors disliked the report, Nike's stock price grew by 0.3% by the end of trading. According to Bloomberg's sources, Credit Suisse wants to accelerate downsizing its investment banking division, and the planned streamlining may be stronger than had been thought. In addition, it may soon revise its Q1 profit forecasts after a number of Wall Street banks warned investors that the quarterly performance may not live up to expectations. Canada is planning an economic stimulus programme that would increase the country's budget deficit by a total of CDN 90 billion in six years. The looser fiscal policy is expected to make attainable the 1.4% and 2.2% growth targets in 2016 and in the subsequent two years respectively. The forecast assumes USD 40 oil price this year and USD 52 in 2017. The Royal Bank of Canada's chief economist says the stimulus may prompt the central bank to end its rate cuts. Ford said that it could be profitable even if car sales contracted by 30%; the announcement was necessary because an increasing number of analysts are concerned that US car sales have reached their peak.

Asia's stock markets opened with slight losses. The Nikkei shed 0.3%, the Hang Seng dropped 0.7%, and the SSEC was 0.3% down. The Brent's price fell 1% this morning. The head of SABIC, a Saudi petrochemical company expects oil price to rise near USD 60 by the end of the year.

In Tuesday's trading the euro weakened 0.2% versus the US dollar.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,90	↑ 2	↓ -8
US 10Y	1,95	↑ 3	↓ -2
JP 2Y	-0,21	↑ 0	↓ -7
JP 10Y	-0,09	↓ 0	↓ -10
GER 2Y	-0,48	↓ -2	↓ -2
GER 10Y	0,22	↑ 1	↓ -7

CENTRAL BANKS' RATES

	Rate (%)	6M Consensus	1Y Consensus
Fed Funds	0,5	↑ 0,75	↑ 1,25
ECB Rate	0,00	↑ 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	↓ -1
US 2Y Swap	0,97	↓ 0	↑ 5
US 5Y Swap	1,34	↓ -1	↑ 5
EUR 3M Euribor	-0,24	↓ 0	↓ -1
EUR 2Y Swap	-0,16	↓ -1	↓ -1
EUR 5Y Swap	0,04	↑ 1	↓ -2
GB 3M Libor	0,00	↓ 0	↓ 0
GB 2Y Swap	0,82	↓ 0	↓ -1
GB 5Y Swap	1,03	↓ -1	↓ -5
JP 3M Libor	0,00	↓ 0	↓ -1
JP 2Y Swap	-0,11	↑ 1	↓ -1
JP 5Y Swap	-0,08	↓ 0	↓ -2
CHF 3M Libor	0,00	→ 0	↑ 2
CHF 2Y Swap	-0,75	↓ -1	↑ 1
CHF 5Y Swap	0,00	↓ 0	↓ -3

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	41,4	↓ -1,05	↑ 2,53
Gold	1 235	↓ -1,01	↓ -2,17

Source: Reuters, OTP Research

Japan's manufacturing PMI (purchasing managers' index) for March, at 49.1, was less than in the previous month. Germany's and France's manufacturing PMIs missed expectations, while the services PMIs slightly overshot them. Germany's IFO index was better than had been thought. The ZWE investor confidence index was somewhat short of expectations, but has improved a lot since the previous gauge. The UK's consumer price index was the same as the previous figure.

Today Switzerland will release investor confidence index, Poland will publish the unemployment rate, wage inflation will see the light of day in Italy, and new home sales data are due out in the USA.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	JP	Mar	Nikkei manufacturing PMI (points)	49,1	-	50,1
	EZ	Mar	Markit manufacturing PMI, flash (points)	51,4	51,3	51,2
	EZ	Mar	Markit services PMI, flash (points)	54,0	53,3	53,3
	DE	Mar	Markit manufacturing PMI, flash (points)	50,4	50,8	50,5
	DE	Mar	Markit services PMI, flash (points)	55,5	55,0	55,3
	DE	Mar	IFO-index (points)	106,7	106,0	105,7
	DE	Mar	ZEW investors' sentiment (points)	4,3	5,0	1,0
	FR	Mar	Markit manufacturing PMI, flash (points)	50	50,2	50,2
	FR	Mar	Markit services PMI, flash (points)	51	49,5	49,2
	UK	Feb	CPI (yoy, %)		0,4	0,3
	Wednesday	CH	Mar	ZEW investors' sentiment (points)		
PL		Feb	Unemployment rate (%)		10,3	10,3
IT		Feb	Wage inflation (MoM, %)			0,0
US		Feb	New home sales (annualized monthly, thousands)		510,0	494,0

Source: Reuters, OTP Research

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