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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 717	↑ 0,47	↑ 1,22
S&P500	2 064	↑ 0,44	↑ 1,34
Nasdaq100	4 491	↑ 0,52	↑ 1,20
Russell2000	1 110	↑ 0,12	↑ 3,23
Stoxx600	341	↑ 1,30	↑ 0,33
DAX	10 047	↑ 1,60	↑ 0,24
FTSE 100	6 203	↑ 1,59	↑ 0,07
CAC40	4 444	↑ 1,78	↑ 0,46
ATX	2 275	↑ 2,10	↑ 0,33
IBEX35	8 870	↑ 0,70	↓ -0,64
Nikkei 225	16 759	↓ -0,71	↓ -0,79
Hang Seng	20 722	↓ -0,39	↑ 1,85
SSEC	3 006	↑ 0,18	↑ 1,52
SENSEX	25 444	↑ 0,42	↓ -0,60
RTS	870	↑ 3,13	↑ 0,52
Bovespa	51 249	↑ 0,18	↑ 3,14

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1336	↑ 0,41	↑ 1,27
EUR/CHF	1,0938	↑ 0,20	↑ 0,25
USD/GBP	1,4376	↓ -0,03	↑ 1,58
USD/JPY	112,25	↓ -0,15	↓ -0,57
AUD/USD	0,7646	↓ -0,31	↑ 1,58
USD/CAD	1,2997	↑ 0,25	↓ -1,87
USD/RUB	67,98	↓ -0,45	↓ -1,36

RISK INDICATORS

	Close	Daily chg. (bp)	Weekly chg. (bp)
VIX	13,6	↓ -0,3	↓ -0,6
CDS 5Y PIIS	14	↓ -0,1	↑ 0,3
CDS 5Y Italy	113	↓ -0,9	↑ 0,9
CDS 5Y Belg.	109	↓ -0,2	↑ 0,4
iTraxx 5Y EU	36,3	↓ -4,1	↑ 1,1
US TED Spread	71,9	→ 0,0	↑ 11,2

Source: Reuters, OTP Research

Summary

- European stocks increased yesterday after Yellen's Tuesday speech on Fed's cautious stance of hiking rates amid growing global risks.
- US stocks rose with S&P500 gaining 0.4% and the Dow climbed 0.5%. The probability of a Fed rate hike in April have been cut to zero, while the odds for rate increase in June remarkably fell.
- Private sector employment in the US increased by 200,000 in March according to ADP report.

European stocks gained after Fed-governor Yellen reiterated that interest rates will be raised only gradually amid global growth risks. Traders have cut the odds of an April rate rise to zero from 10% a week earlier, with the probability of a move in June down to 22% from 46% – according to Bloomberg. The Stoxx Europe 600 Index increased by 1.3% and commodity-related stocks made the biggest advance among the 19 industry groups of the index. Anglo American Plc posted the biggest gain (+12%). Energy companies strengthened as oil recovered while the US dollar weakened. Seadrill Ltd. rose 5.8% after the offshore driller with the biggest debt load was said to have hired Houlihan Lokey Inc. and Morgan Stanley to advise it in negotiations on restructuring \$11 billion of loans and bonds. Thyssenkrupp AG, Germany's largest steelmaker, climbed 8.3% after industry experts said that Tata Steel Ltd's possible disposal of its UK portfolio could trigger consolidation of the industry in Europe. ArcelorMittal also benefited from this news as it added 3.6% in yesterday's trading. German retailer Metro AG also jumped 12% after saying it's preparing to split in two in a move aimed at boosting its value. The DAX closed above 10,000 points after having climbed 1.6%. The best performers along with Thyssenkrupp were the utility companies E.ON (+5.7%) and RWE (+4.4%).

US stocks rose on Wednesday as central bankers continued to spur optimism after Yellen's speech on Tuesday on growing global risks and the Fed to proceed cautiously. The S&P500 added 0.4%, while the Dow Jones Industrial Average and Nasdaq100 climbed 0.5%. 8 of the S&P's 10 industry groups increased with the financials, the consumer sector and the technology having gained the most. Apple rose 1.8% and Cisco Systems added 1.6%. The increase of the financial sectors was aided by the rebound in banks. JPMorgan Chase added 1.2%, Wells Fargo increased by 1.3% and Goldman Sachs climbed 1.0%. Insurance companies also gained. MetLife Inc. surged 5.4% after a court ruled against a regulatory designation labelling the insurer as too big to fail. Prudential Financial advanced 2.0% while the American International Group Inc. advanced 2.1%. Boeing Co. lost 1.8%, extending a slide to a sixth session. The company plans to cut about 4,000 jobs from its commercial airplanes division by mid-year as part of a broader effort to reduce costs amid fierce competition from Airbus Group SE.

Crude oil prices were mixed with WTI having declined by 0.6% to USD 38.11 while the Brent added 0.3%.

Bloomberg's dollar index, which tracks the greenback against 10 major peers, fell 0.3% on Wednesday and has lost 3.8% in March, set for a second straight monthly drop and the biggest decline since September 2010. The USD slipped 0.4% to 1.1336 per euro and weakened 0.2% to 112.25 yen. The dollar has fallen against all of its 31 major peers in March with Russia's ruble and Brazil's real posting the biggest gains.

Asian stocks closed a mixed market this morning with Japanese stocks declining and Chinese stocks slightly increasing.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,75	↓	-4	↓	-11
US 10Y	1,82	↑	1	↓	-7
JP 2Y	-0,22	↓	-1	↑	0
JP 10Y	-0,09	↑	1	↑	2
GER 2Y	-0,49	↓	-2	↓	-2
GER 10Y	0,13	↓	-5	↓	-9

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	0,85	↓	0	↓	-10
US 5Y Swap	1,19	↓	-1	↓	-11
EUR 3M Euribor	-0,24	↓	0	↓	-1
EUR 2Y Swap	-0,16	↓	-1	↓	-1
EUR 5Y Swap	0,01	↓	0	↓	-3
GB 3M Libor	0,00	↓	0	↓	0
GB 2Y Swap	0,81	↑	0	↓	-2
GB 5Y Swap	1,03	↑	2	↑	1
JP 3M Libor	0,00	↑	0	↑	0
JP 2Y Swap	-0,13	↑	1	↓	-2
JP 5Y Swap	-0,08	↑	3	↓	0
CHF 3M Libor	0,00	→	0	↑	0
CHF 2Y Swap	-0,74	↑	3	↑	1
CHF 5Y Swap	-0,58	↑	1	↑	0

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	38,9	↓	-0,92	↓	-3,88
Gold	1 227	↑	0,25	↑	0,93

Source: Reuters, OTP Research

An index of executive and consumer confidence slumped for a third month, declining to 103.0 in March from a revised 103.9 the previous month, the European Commission in Brussels said on Wednesday. That's the weakest since February 2015 and compares with a median estimate for a reading of 103.8 in a Bloomberg survey of economists.

The ADP survey suggests that private sector employment increased by a solid 200,000 in March, slightly down from a 205,000 gain the month before. The ADP breakdown is largely as expected, with the bulk of the job gains in the services sector. Manufacturing employment increased by 3,000, which supports the more upbeat tone coming through in this month's regional manufacturing surveys.

For today, we are waiting for preliminary Eurozone CPI statistics, while in Germany retail sales and unemployment figures will be published. In the UK, final Q4 GDP data are scheduled for today. The most wanted data today may arrive from the US as weekly employment figures and Chicago PMI are due.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	JP	Feb	Industrial production (preliminary, mom, %)	-6,2	-6,0	3,7
	GB	Mar	GfK Consumer confidence (point)	0,0	-1,0	0,0
	EZ	Mar	Economic Sentiment (point)	103,0	103,8	103,8
	EZ	Mar	Consumer confidence, final (points)	-9,7	-9,7	-8,8
	DE	Mar	CPI (preliminary, yoy, %)	0,3	0,1	0,0
	US	Mar	ADP national employment (mom, thousands)	200	194	205
Thursday	EZ	Mar	CPI (preliminary, yoy, %)		-0,1	-0,2
	DE	Feb	Retail sales, real (yoy, %)		2,2	-0,8
	DE	Mar	Unemployment rate (%)		6,2	6,2
	GB	Q4	GDP (yoy, %)		1,9	1,9
	US	weekly	Initial jobless claims ('000)		265	265
	US	weekly	Continued jobless claims ('000)		2 205	2 179
	US	Mar	Chicago PMI (points)		50,0	47,6

Source: Reuters, OTP Research

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