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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 603	↓ -0,75	↓ -0,17
S&P500	2 045	↓ -1,01	↓ -0,48
Nasdaq100	4 471	↓ -0,91	↑ 0,07
Russell2000	1 096	↓ -1,14	↓ -1,31
Stoxx600	328	↓ -1,90	↓ -2,57
DAX	9 563	↓ -2,63	↓ -3,28
FTSE 100	6 091	↓ -1,19	↓ -0,24
CAC40	4 250	↓ -2,18	↓ -2,67
ATX	2 227	↓ -1,14	↓ -0,05
IBEX35	8 388	↓ -2,44	↓ -4,78
Nikkei 225	15 680	↓ -0,33	↓ -7,10
Hang Seng	20 205	↑ 0,14	↓ -2,88
SSEC	3 052	↓ -0,04	↑ 1,70
SENSEX	24 890	↑ 0,02	↓ -0,60
RTS	847	↓ -1,76	↑ 0,38
Bovespa	49 054	↑ 0,56	↓ -4,11

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1382	↓ -0,07	↑ 0,29
EUR/CHF	1,0882	↓ -0,35	↓ -0,52
USD/GBP	1,4159	↓ -0,72	↓ -1,51
USD/JPY	110,31	⇒ 0,00	↓ -1,88
AUD/USD	0,7560	↑ 0,23	↓ -1,43
USD/CAD	1,3125	↓ -0,08	↑ 1,24
USD/RUB	68,54	↑ 0,03	↑ 0,36

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	15,4	↑ 1,3	↑ 1,6
CDS 5Y PIIS	15	↓ -0,5	↓ 0,0
CDS 5Y Italy	113	⇒ 0,0	↓ -0,4
CDS 5Y Belg.	110	↑ 0,0	↓ 0,0
iTraxx 5Y EU	36,5	↓ -0,2	↓ -3,0
US TED Spread	73,1	⇒ 0,0	↑ 0,1

Source: Reuters, OTP Research

Summary

- Western Europe's stock markets fell sharply yesterday.
- Investor sentiment in the USA was also pessimistic.
- Germany released disappointing macroeconomic figures on Tuesday.

Europe's stock markets suffered massive losses in Tuesday's trading. The DAX closed 2.6% down, the CAC40 fell 2.2%, the Stoxx600 dived 1.9%, and the FTSE100 sank 1.2%. The underwhelming industrial orders data from Germany added to pessimism, intensifying investors' concerns about Europe's growth prospects. The shares of export-oriented companies fell particularly sharply: car manufacturers reversed 3.9% and commodity producers sank 3.7%. One of the losers of the day was Peugeot; the French car giant slid 6.5% after publishing a new strategy to sustain the steady growth in sales. Apparently, the market is sceptical about the plan's feasibility. The financial sector also underperformed yesterday, the sector index slumped 3%.

The sentiment in US trading was also negative yesterday. The Dow closed 0.8% down, the S&P500 lost 1%, the NASDAQ slipped 0.9%, and the Russel2000 fell 1.1%. All of the S&P500's ten sectors closed in the red, with utilities seeing the sharpest fall (-1.9%). The financial sector dropped 1.4%, with Wells Fargo posting the biggest loss (-2%) within the sector. A corporate report that affected Tuesday's trading was the US Department of Justice's announcement to sue Halliburton, in order to prevent the oilfield services provider from acquiring a smaller rival, Baker Hughes. The news sent the latter's stock price 5.1% lower.

Asia's stock markets did not excel this morning. The Nikkei225 dipped 0.3%, the Hang Seng added 0.14%, while the SSEC and the SENSEX made very subtle moves.

The EUR lost 0.07% against the USD and weakened 0.35% versus the CHF.

The Brent's price was up 1.9%.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,73	↓ -1	↓ -6
US 10Y	1,73	↓ -3	↓ -8
JP 2Y	-0,22	↑ 0	↓ 0
JP 10Y	-0,07	↑ 1	↑ 3
GER 2Y	-0,48	↓ -1	↓ -1
GER 10Y	0,12	→ 0	↓ -6

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	↑ 0
US 2Y Swap	0,84	↑ 3	↓ -1
US 5Y Swap	1,14	↑ 1	↓ -6
EUR 3M Euribor	-0,25	↓ 0	↓ -1
EUR 2Y Swap	-0,15	↑ 0	↑ 0
EUR 5Y Swap	0,00	↓ 0	↓ 0
GB 3M Libor	0,00	→ 0	↓ 0
GB 2Y Swap	0,75	↓ -4	↓ 0
GB 5Y Swap	0,94	↓ -5	↓ -7
JP 3M Libor	0,00	↓ 0	↑ 0
JP 2Y Swap	-0,14	↓ -1	↓ 0
JP 5Y Swap	-0,10	↓ 0	↑ 1
CHF 3M Libor	0,00	↑ 0	↑ 0
CHF 2Y Swap	-0,74	↓ 0	↑ 4
CHF 5Y Swap	0,00	↓ 0	↑ 2

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	38,6	↑ 1,90	↓ -1,71
Gold	1 229	↓ -0,13	↑ 0,38

The German industrial orders statistics for February show 1.2% year/year contraction, wrong-footing analysts who had forecast 0.2% increase. The February industrial production statistics reflect 0.5% decrease from the same month of 2015, whereas economists had expected 1.8% drop.

Also in February, the eurozone's retail sales rose by 0.2% month/month, beating analysts' projection by 0.2%.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	DE	Feb	Industrial orders (mom, %)	-1,2	0,2	-0,1
	EZ	Feb	Retail sales (mom, %)	0,2	0,0	0,4
	US	Feb	Trade balance (monthly, billion dollars)	-47,1	-45,5	-45,7
Wednesday	DE	Feb	Industrial production (mom, %)	-0,5	-1,8	3,3
	PL	Apr	Base rate (%)		1,5	1,5

Source: Reuters, OTP Research

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