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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 908	↑ 1,06	↑ 1,09
S&P500	2 082	↑ 1,00	↑ 0,76
Nasdaq100	4 555	↑ 1,31	↑ 0,24
Russell2000	1 130	↑ 2,19	↑ 3,40
Stoxx600	343	↑ 2,52	↑ 3,75
DAX	10 026	↑ 2,71	↑ 4,17
FTSE 100	6 363	↑ 1,93	↑ 3,27
CAC40	4 490	↑ 3,32	↑ 4,80
ATX	2 294	↑ 1,90	↑ 2,43
IBEX35	8 821	↑ 3,21	↑ 5,03
Nikkei 225	16 911	↑ 3,23	↑ 7,37
Hang Seng	21 326	↑ 0,79	↑ 5,23
SSEC	3 068	↑ 0,06	↑ 1,99
SENSEX	25 627	⇒ 0,00	↓ -0,60
RTS	923	↑ 1,25	↑ 6,86
Bovespa	53 150	↑ 2,21	↑ 10,51

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1272	↓ -0,99	↓ -1,00
EUR/CHF	1,0899	↑ 0,22	↑ 0,14
USD/GBP	1,4202	↓ -0,50	↑ 1,05
USD/JPY	109,36	↑ 0,03	↑ 1,07
AUD/USD	0,7658	↑ 0,08	↑ 2,09
USD/CAD	1,2857	↑ 0,33	↓ -2,18
USD/RUB	66,17	↓ -0,07	↓ -2,89

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,8	↓ -1,0	↓ -0,3
CDS 5Y PIIS	14	↓ -3,9	↓ -0,3
CDS 5Y Italy	118	↓ -6,3	↓ -2,9
CDS 5Y Belg.	113	↓ -0,1	↓ -0,8
iTraxx 5Y EU	36,4	↓ -2,8	↓ -2,9
US TED Spread	73,9	⇒ 0,0	↑ 0,0

Source: Reuters, OTP Research

Summary

- Positive sentiment ruled the world's key markets yesterday.
- Fitch warns of the risks the planned bank rescue programme poses to Italy's largest banks.
- The IMF's most recent report paints a gloomy picture on emerging and developing countries' debt trajectories.

In Wednesday's positive sentiment on global stock markets, the Stoxx60 closed 0.5% higher, the DAX surged 2.6%, the CAC40 added 0.7%, the FTSE MIB rallied 3.6%, and the FTSE100 upped by 1.93%. On the other side of the Atlantic, the S&P500 and the Dow gained 1% each (that latter hit a five-month high) and the NASDAQ grew by 1.3%. The buoyancy stemmed from encouraging statistics from China and higher oil prices. In America most banking shares outperformed; Goldman Sachs surged 3.6% yesterday.

On Wednesday the IMF published its new forecast on world economic growth. The Fiscal Monitor's most important conclusion is that the world should prepare for rising debt trajectories and their possible negative consequences, which are likely to hit emerging and developing countries in particular. The IMF attributes the worsening fiscal positions to weaker global growth, falling commodity prices, slowing trade, tighter financial conditions, and intensifying geopolitical tensions. According to Reuters' sources, VW is to cut executives' bonus payments by at least 30%. Another US-based company fell victim of low commodity prices when the coal miner Peabody Corporation filed for bankruptcy, The Wall Street Journal reported. Bank of America Merrill Lynch's survey among portfolio managers found that investors reduced their exposure to European and Japan markets, in a sign of concerns that the central banks' monetary policies might fail. Fitch warned that Italy's largest banks might go bust because, in Fitch's assessment, the government's plan to use them to rescue smaller banks represents a huge burden for them at a time when they are struggling with high NPL stocks and increasing capital requirements themselves. Participating in the rescue plan would put their credit rating at risk.

Asia's stock indices opened on a stronger note this morning. The Nikkei advanced 3.3%, and the Hang Seng was up 0.8%.

In this morning's trading the Brent's price slipped 1.3%, but it rose nearly 11% over the past five trading sessions. According to Marketwatch's sources, the slumping oil prices have considerably slashed big oil company managers' salaries since 2014.

The dollar firmed 1% versus the euro in Wednesday's trading.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,76	↑ 2	↑ 2
US 10Y	1,77	↓ 0	↑ 2
JP 2Y	-0,24	↑ 1	↓ -1
JP 10Y	-0,08	↑ 0	↓ -2
GER 2Y	-0,51	↑ 0	↓ -4
GER 10Y	0,17	↑ 5	↑ 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	↑ 0
US 2Y Swap	0,84	↓ -2	↑ 3
US 5Y Swap	1,15	↓ 0	↑ 7
EUR 3M Euribor	-0,25	→ 0	↓ 0
EUR 2Y Swap	-0,17	↓ 0	↓ 0
EUR 5Y Swap	0,00	↓ 0	↑ 1
GB 3M Libor	0,00	↓ 0	↓ 0
GB 2Y Swap	0,80	↑ 1	↑ 1
GB 5Y Swap	0,99	↓ -1	↑ 5
JP 3M Libor	0,00	↑ 1	↓ -1
JP 2Y Swap	-0,13	↓ 0	↑ 1
JP 5Y Swap	-0,10	↓ -1	↓ 0
CHF 3M Libor	0,00	↑ 0	↓ 0
CHF 2Y Swap	-0,75	↓ 0	↓ -1
CHF 5Y Swap	-0,58	↓ 0	↓ -2

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	43,6	↓ -1,31	↑ 10,58
Gold	1 234	↓ -0,67	↓ -0,47

Source: Reuters, OTP Research

China's export and import data came in much better than had been expected. The eurozone's industrial production data missed expectations and the US statistics released yesterday were discouraging.

Today the Bank of England will meet for rate decision, while the eurozone and the USA are to publish inflation data.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	CN	Mar	Exports (yoy, %)	11,5	2,5	-25,4
	CN	Mar	Imports (yoy, %)	-7,6	-10,2	-13,8
	EZ	Feb	Industrial production (mom, %)	-0,8	-0,5	2,1
	US	Mar	Retail sales (mom, %)	-0,3	0,4	-0,1
	US	Feb	Business inventories (mom, %)	-0,1	0,0	0,1
Thursday	SK	Mar	Inflation (yoy, %)	-	-	-0,4
	EZ	Mar	Inflation (final, yoy, %)	-0,1	-0,1	-0,1
	UK	Apr	Interestrates decision (%)	0,5	0,5	0,5
	US	Mar	CPI (yoy, %)	1,2	1,2	1,0
	US	Mar	CPI (mom, %)	0,2	0,2	-0,2
	US	Mar	core-CPI (yoy, %)	2,3	2,3	2,3
	US	Mar	core-CPI (mom)	0,2	0,2	0,3

Source: Reuters, OTP Research

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