

Treasury Sales Team

Headquarter Treasury Sales

Alexandru Tibuleac
0372 31 85 85
alexandru.tibuleac@otpbank.ro

Cristian Ilie
0372 31 85 86
ilie.cristian@otpbank.ro

Corina Bejan
0372 31 85 84
corina.bejan@otpbank.ro

Andreea Nica
0755 000 106
andreea.nica@otpbank.ro

Regional Treasury Sales

Szilamer Kozma - Cluj
0755 000 400
szilamer.kozma@otpbank.ro

Tudor Zaman - Bucuresti
0755 000 199
tudor.zaman@otpbank.ro

Alexandru Sabin - Arad
0730 577 959
alexandru.sabin@otpbank.ro



Global Daily Report

Summary

- Stock markets went through the roof yesterday
- Odds of March Fed interest rate hike have increased; the USD firmed
- Bond yields rose in America and Europe
- Stock markets' soaring pushed commodities higher
- Cheering industrial data and higher-than-expected German inflation figure came out on Wednesday

Stock markets soared on Wednesday, with all important indices making impressive gains. Although Donald Trump's Tuesday afternoon speech conveyed little specific information, the reiteration of fiscal easing plans, coupled with the favourable macroeconomic data published on Wednesday have made their effect on Tuesday. Europe's stock indices grew by about 2%. All American indices grew by more than 1%; the Dow surpassed the 21,000 mark. In Asia, Japan's markets also advanced this morning; the Topix broke the record set in December 2015. However, the Chinese market sank. Banking shares excelled on both sides of the Atlantic, probably owing to expectations of Fed rate hikes.

William Dudley, the president of New York Fed said in an interview that the case for another rate hike was growing. On Wednesday yet another decision maker, Lael Brainard, who previously advocated for loose monetary policy, said the monetary stimulus should be withdrawn soon. Now markets see 70% possibility of a Fed fund rate hike in March. The USD appreciated after the speeches.

The media reports about US fiscal and monetary policy sent bond yield higher. The 10Y US yields climbed five points higher, to 2.45%. German bond yields rose six points on the back of higher-than-expected February inflation figure. The increase in French bond yields may have stemmed from political risks too: the scandal-hit conservative candidate Francois Fillon remains in the election race, which could dent the chances of the independent Emmanuel Macron.

Commodity prices benefited from the benign sentiment on stock markets. Copper price gained more than 1%, and oil upped slightly. Gold lost its shine owing to expectations that US interest rates will increase.

America published a whopping increase in manufacturing sentiment, and households' income has also beaten expectations. In Europe, German inflation made headlines, reaching 2.2%, higher than forecast.

Jean-Claude Juncker, the President of the European Commission outlined five possible scenarios for the EU's future in the recently published 'White Book', projecting various degrees of economic and political integration. The European Commission and Parliament are planning to determine the direction to follow, before the EU summit in December.

Theresa May's government suffered its first parliamentary defeat over Brexit on Wednesday. The House of Lords supported an amendment to the bill that paves the way for Brexit, to ensure that EU citizens currently living in the UK have the same residence rights. Earlier the House of Commons, where the majority of MPs are Conservatives, rejected the motion.

	Stocks				Bonds				Commodity & FX			
	Product name	Close	Daily change (%)	YTD (%)	Product name	Yield	Daily change*	YTD*	Product name	Close	Daily change (%)	YTD (%)
Global	S&P500	2363,6	-0,3	5,6	VIX	12,9	6,9	-8	WTI	54,01	-0,1	0,5
	DOW	20812,2	-0,1	5,3	US 2Y	1,22	1,2	2	Brent	55,59	-0,6	-2,2
	Nasdaq100	5330,3	-0,3	9,6	US 10Y	2,36	-0,9	-7	Gold	1248,5	-0,3	8,4
	DAX	11834,4	0,1	3,1	GER 2Y	-0,90	2,5	-11	Silver	18,31	0,3	14,9
	CAC40	4858,6	0,3	-0,1	GER 10Y	0,21	0,5	0	EUR/USD	1,0575	-0,1	0,6
	FTSE 100	7263,4	0,1	1,7	PT10Y	3,88	-0,1	12	EUR/GBP	0,8540	0,4	0,3
	FTSE MIB	18913,3	0,0	-1,7	IT 10Y	2,09	-5,4	26	EUR/NOK	8,8742	0,1	-2,3
	Stoxx600	370,2	0,2	2,4	SP 10	1,66	0,4	27	USD/CAD	1,3299	0,9	-1,0
	- Banks	134,9	0,5	0,6	iTRAXX	72,8	-1,9	1	AUD/USD	0,7657	-0,2	6,1
	Nikkei 225	19283,5	1,4	1,5	JPY 2Y	-0,25	2,4	-7	USD/JPY	112,75	0,1	-3,5
SSEC	3245,5	0,1	4,6	JPY 10Y	0,06	0,9	1	GBP/USD	1,2380	-0,5	0,4	
Regional	RTS	1099,5	-1,6	-4,6	RUS10	8,27	0,7	-1	USD/RUB	58,299	0,3	-5
	WIG20	2191,25	-0,9	12,5	POL 10	3,82	0,0	5	EUR/PLN	4,3053	-0,1	-2,2
	PX50	953,9	-0,5	3,5	CZ10	0,62	7,5	32	EUR/RON	4,5198	0,2	-0,3
Hungary	BUX	32061	-2,5	0,2	3MTB	0,18	0	2	EUR/HUF	308,10	0,2	-0,2
	OTP	8450	-3,3	0,6	1Y	0,30	-1	12	USD/HUF	291,20	0,3	-0,8
	MOL	19950	-4,3	-3,3	3Y	1,58	1	72	CHF/HUF	289,45	0,6	0,5
	MTelekom	490	-1,0	-1,6	5Y	2,27	0	50	PLN/HUF	71,480	0,3	2,0
	Richter	6452	-0,3	3,9	10Y	3,46	2	26	GBP/HUF	360,51	-0,2	0

* In the case of bond yields, the change is in basispoint instead of percentage (VIX and ITRAXX not included).

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2017 2. 27.	9 : 00 HU	Unemployment rate (%)	Jan.	4,3	-	4,4
	11 : 00 EZ	EC Economic Sentiment Index (points)	Febr.	108,0	108,0	107,9
	14 : 30 US	Durable goods orders (mom, %)	Jan.	1,8	1,8	-0,5
	16 : 00 US	Pending home sales (mom, %)	Jan.	-2,8	0,9	1,6
	28. 9 : 00 HU	Investment (yoy, %)	Q4	-24,0	-	-9,3
	9 : 00 HU	Industrial producer prices (yoy, %)	Jan.	2,2	-	0,5
	14 : 00 HU	Interest rate decision (%)	Febr.	0,9	0,9	0,9
	14 : 30 US	GDP (second estimate, annualized, yoy, %)	Q4	1,9	2,1	1,9*
	15 : 00 US	Case-Shiller Home Price Index (yoy, %)	Dec.	5,6	5,3	5,3
	15 : 45 US	Chicago PMI (points)	Febr.	57,4	52,3	50,3
	16 : 00 US	Consumer confidence index (points)	Febr.	114,8	111,0	111,8
3. 1.	1 : 30 JP	Nikkei Manufacturing PMI (points)	Febr.	53,3	-	53,5
	2 : 00 CN	NBS Manufacturing PMI (points)	Febr.	51,6	51,1	51,3
	2 : 00 CN	NBS non-Manufacturing PMI (points)	Febr.	54,2	-	54,6
	2 : 45 CN	Caixin Manufacturing PMI (points)	Febr.	51,7	50,8	51,0
	9 : 00 HU	Manufacturing PMI (points)	Febr.		-	56,5
	14 : 00 DE	CPI (preliminary, yoy, %)	Febr.		2,1	1,9
	14 : 30 US	Personal income (mom, %)	Jan.		0,3	0,3
	14 : 30 US	Personal consumption (adjusted, mom, %)	Jan.		0,3	0,5
	16 : 00 US	Construction expenditure (mom, %)	Jan.		0,6	-0,2
	16 : 00 US	ISM Manufacturing PMI (points)	Febr.		55,7	56,0
	20 : 00 US	Beige Book	Febr.		-	-
	21 : 30 US	Vehicle sales (annualized monthly, million)	Febr.		17,5	17,6
	2. 11 : 00 EZ	CPI (preliminary, yoy, %)	Febr.		2,0	1,8
	11 : 00 EZ	Core CPI (flash, yoy, %)	Febr.		0,9	0,9
	11 : 00 EZ	Unemployment rate (%)	Jan.		9,6	9,6
	3. 0 : 30 JP	CPI (yoy, %)	Jan.			0,3
	0 : 30 JP	core-CPI (yoy, %)	Jan.		0,0	-0,2
	9 : 00 HU	Retail sales (first estimate, yoy, %)	Jan.		-	2,8
	9 : 00 HU	Trade balance (detailed, monthly, EURmn)	Dec.		-	556,0
	11 : 00 EZ	Retail sales (mom, %)	Jan.		0,3	0
	16 : 00 US	ISM non-Manufacturing PMI (points)	Febr.		56,4	56,5
	19 : 00 US	Janet Yellen speaks (Executives Club of Chicago)	March		-	-
	19 : 00 US	Stanley Fischer speaks (US Monetary Policy Forum)	March		-	-
		HU Moody's Credit Rating decision	March			Baa3

Source: Reuters, OTP Research

Chief Economist
Gergely Tardos
tardosg@otpbank.hu
+36 1 374 7273

Analyst
Gábor Pellényi
pellenyig@otpbank.hu
+36 1 374 7276

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