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Global Daily Report

Summary

- Europe's stock indices booked modest gains, mostly helped by commodity producers.
- The probability of a Fed interest rate hike in March is 100%; the US's firming continued.
- In the wait-and-see mood ahead of Wednesday's Fed decision, even safe haven assets were not sought

America's benchmark stock indices barely moved, but Europe's Stoxx600 index climbed 0.4% higher, mostly driven by commodity producers who benefited from copper's continued price hike in particular. Its pick-up put an end to an almost two-week-long decline, giving impetus to producers: AngloAmerican and Rio Tinto jumped 4%, Fresnillo soared 5.6%, Antofagasta rallied 4.9%, and BHP Billiton surged 2.5%. The FTSE100 crept 0.3% higher in Monday's session, and a 0.4% uptick in the FTSE250 mid-cap index was enough to hit another record high. Carmakers, retailers, insurance and real estate companies also outperformed; all sectors but telecommunications could grow to some extent. Markets on both sides of the Atlantic waited to see what Wednesday's Fed rate decision hold for them. The DAX and the CAC40 edged 0.2% and 0.1% higher, respectively.

America's major indices closed mixed on Monday, ending a lacklustre trading session. The Dow inched 0.1% down, while the S&P nudged somewhat higher. Within the S&P500, utilities and base materials were the strongest sectors, followed by consumer discretionary and the financial sector. Health care and industry have fallen. The NASDAQ100 upped 0.2%. The semiconductor producer NVidia expanded 2.8%, and the chipmaker Micron Technology advanced 2.1%. Citrix shot up 7% on news that it had appointed Goldman Sachs to find potential buyers. Market observers claim that the cloud services provider company has passed its initial growth phase; it may be too big and overvalued for private equity funds. The 30% increase in its share price over the past year also makes it difficult to offer premium for investors.

Tuesday's trading opened on a bright note in Asia but Japan's stock indices failed to remain in positive territory.

Trading on currency markets was also quiet; the EUR/USD sank -0.2%, to 1.0658. The GBP firmed 0.5% versus the USD, even though the First Minister of Scotland said preparations for another referendum, tentatively scheduled to take place between autumn 2018 and spring 2019, had started. This time not only Scotland's independence is at stake, but also its remaining in the EU despite Brexit. During Asian trading hours, the GBP started to weaken after Britain's parliament passed the Brexit Bill, allowing the Prime Minister to activate Article 50 of the Lisbon Treaty, thus officially request the country's departure from the European Union. Next week Theresa May is to start the procedure, which could last up to two years.

On commodity markets the increase in industrial metal prices sent copper (+1.1%) and zinc prices (+1.4%) higher. Precious metals lost some of their shine. The WTI crude stayed almost flat, near 48.5 USD/barrel; Brent futures remained close to 51.4. OPEC's monthly report, due out on Wednesday, will offer an insight into the output reduction data; it may affect prices. The US 10Y bond yields went beyond 2.6% yesterday.

The statistics China released this morning held no surprise; industrial production in January rose somewhat faster than thought, and infrastructure investments have also beaten expectations. However, the 9.5% January growth in retail sales was short of market consensus (10.5%).

Today's interesting publications include industrial production figures for the eurozone, and the March economic sentiment index of the ZEW institute.

	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	2373,5	0,0	6,0	VIX	11,4	-2,7	-19	WTI	48,40	-0,2	-9,9
	DOW	20881,5	-0,1	5,7	US 2Y	1,37	1,3	17	Brent	51,35	0,0	-9,6
	Nasdaq100	5394,6	0,2	10,9	US 10Y	2,61	2,5	18	Gold	1203,6	-0,1	4,5
	DAX	11990,0	0,2	4,4	GER 2Y	-0,81	0,4	-1	Silver	16,94	-0,5	6,3
	CAC40	4999,6	0,1	2,8	GER 10Y	0,47	-2,1	26	EUR/USD	1,0653	-0,1	1,3
	FTSE 100	7367,1	0,3	3,1	PT10Y	4,01	-4,7	25	EUR/GBP	0,8715	-0,7	2,3
	FTSE MIB	19707,0	0,2	2,5	IT 10Y	2,36	-0,7	54	EUR/NOK	9,1230	-0,6	0,4
	Stoxx600	374,6	0,4	3,7	SP 10	1,89	0,2	50	USD/CAD	1,3444	-0,2	0,1
	- Banks	142,5	0,1	6,2	iTRAXX	72,5	1,0	0	AUD/USD	0,7567	0,4	4,9
	Nikkei 225	19601,6	1,5	0,7	JPY 2Y	-0,25	0,0	-8	USD/JPY	114,87	0,1	-1,7
SSEC	3238,6	0,1	4,4	JPY 10Y	0,09	-0,2	4	GBP/USD	1,2218	0,4	-1,0	
Regional	RTS	1069,1	1,3	-7,2	RUS10	8,09	-0,5	-3	USD/RUB	58,757	-0,2	-4
	WIG20	2242,55	1,9	15,1	POL 10	3,73	-0,7	3	EUR/PLN	4,3250	-0,3	-1,8
	PX50	977,9	0,6	6,1	CZ10	0,79	16,2	69	EUR/RON	4,5505	0,2	0,3
Hungary	BUX	32686	-0,1	2,1	3MTB	0,15	0	-1	EUR/HUF	312,08	-0,2	1,1
	OTP	8500	-0,5	1,2	1Y	0,24	0	6	USD/HUF	292,73	0,0	-0,3
	MOL	20650	0,3	0,1	3Y	1,60	-2	74	CHF/HUF	290,60	0,1	0,9
	MTelekom	501	0,0	0,6	5Y	2,57	2	80	PLN/HUF	72,070	0,0	2,9
	Richter	6525	-0,2	5,1	10Y	3,65	-1	45	GBP/HUF	357,62	0,3	-1

* 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 3. 14.	8 : 00 DE	CPI (final, yoy, %)	Febr.	2,2	2,2	2,2*
	9 : 00 HU	Industrial production (final, yoy, %)	Jan.	0,0	-	6,5*
	3 : 00 CN	Industrial production (yoy, %)	Jan.	6,3	6,2	6,0
	3 : 00 CN	Retail sales (yoy, %)	Jan.	9,5	10,5	10,9
	3 : 00 CN	Infrastructural spending (yoy, %)	Jan.	8,9	8,2	8,1
	11 : 00 EZ	Industrial production (mom, %)	Jan.		1,5	-1,6
	11 : 00 DE	ZEW Economic Sentiment (points)	March		12,5	10,4
15.	13 : 30 US	Retail sales (mom, %)	Febr.		0,2	0,4
	13 : 30 US	New York Fed Manufacturing index (points)	March		16,5	18,7
	13 : 30 US	CPI (yoy, %)	Febr.		2,8	2,5
	13 : 30 US	CPI (mom, %)	Febr.		0,1	0,6
	13 : 30 US	core-CPI (yoy, %)	Febr.		2,2	2,3
	13 : 30 US	core-CPI (yoy, %)	Jan.		0,2	0,3
	15 : 00 US	Business inventories (mom, %)	Jan.		0,3	0,4
	19 : 00 US	Interest rate decision (%)	March		0,75-1,0	0,5-0,75
	NL	Parlamentarian eleccions	March		-	-
16.	5 : 00 JP	Interest rate decision (%)	March		-0,1	-0,1
	9 : 00 HU	Construction output (yoy, %)	Jan.		-	-15
	11 : 00 EZ	CPI (final, yoy, %)	Febr.		2,0	2,0*
	13 : 00 UK	Interest rate decision (%)	March		0,3	0,3
	13 : 30 US	Existing home sales (annualized monthly, '000s)	Febr.		1280,0	1293,0
	13 : 30 US	New home sales (annualized monthly, '000s)	Febr.		1267,0	1246,0
17.	14 : 15 US	Industrial production (mom, %)	Febr.		0,2	-0,3
	15 : 00 US	Michigan Consumer confidence (preliminary, points)	March		96,0	96
	15 : 00 US	Leading index (hó/hó, %)	Febr.		0,4	0,6

*preliminary data

Source: Reuters, OTP Research

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