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Global Daily Report

Summary

- Most benchmark stock indices posted slight losses on both sides of the Atlantic yesterday.
- Deutsche Bank is to raise EUR 8 billion via share issue.
- On 29 March the UK will activate Article 50, triggering the starting gun on Brexit talks.

Except for the NASDAQ, the New York stock exchange opened the week with losses, on the thinnest trading volume this year. The S&P500 shed 0.2%, and the Dow ended four basis points below Friday's close. Within the S&P sectors, finance and utilities saw the sharpest falls, while the basic materials and the consumer discretionary sectors were the best performers. The technology sector also climbed higher, thus the NASDAQ100 edged up 0.1%. For a short while, the NASDAQ Composite set an intraday record, but it preserved only one basis point of the gain. After last week's Fed interest rate hike, when central bankers projected two more such moves, now the head of the Chicago Fed Charles Evans mentioned two or three tightening steps in 2017 if statistics continue to mirror a healthy economy. But a [Bloomberg poll](#) found that Evans, a dovish decision-maker, is not the best signal of future rate decisions. The US 10Y Treasury Note yield came four basis points down yesterday, to 2.46%, continuing Friday's four-basis-point drop.

Europe's stock markets also made subtle moves, the Stoxx600 index inched 0.2% down. The FTSE crept 0.1% higher, while the DAX slipped 0.4%. The energy sector was the weakest one, as oil price slipped again. Last week Saudi Arabia's energy minister hinted at further production cut if demand exceeds the five-year average. Libya is to open two ports to re-start oil exports, after boosting its daily output by 4%. Meanwhile the number of newly opened US oil fields has been rising for nine weeks – this does not help holding back supply. Reportedly, oil producing countries' oil ministers will talk this weekend about extending their output freeze from May. For the first time this year the WTI crude sank below 50 USD/barrel in March, and it slid 1% yesterday. The Brent nudged 0.1% lower on Monday.

Deutsche Bank's share price contracted by 3.7% yesterday, after announcing an EUR 8 billion share issue, at a price that is 35% below Friday's closing price. The bank does not expect its earnings to grow this year.

Asia's stock markets opened mixed. Japan's indices closed mostly in the red, with the Nikkei losing 0.3%. The Shanghai Composite upped 0.3%, while the Hang Seng advanced 0.4%, helped by its financial sector index's 0.5% gain.

The GBP weakened 0.3% against the USD after the announcement that on 29 May Britain's PM Theresa May will officially start the negotiations on the conditions of the UK's departure from the EU. Triggering Article 50 may open the door for hard talks in the field of trade; this may not be factored in in the current exchange rate, Goldman Sachs's currency strategist opines. The EUR and the JPY firmed moderately (around 0.1%) against the USD on Monday. The single European currency's winning streak continued this morning, as Mr Macron was more successful than Marine Le Pen in the first televised debate in the run-up to French presidential elections. On precious metals prices, gold and silver prices climbed 0.3% and 0.1% respectively. Among industrial metals, copper futures fell almost 1%, and zinc also shrank meaningfully. However, aluminium futures increased by 0.4%.

Today the United Kingdom is to release a raft of economic figures, with plenty of February inflation data. Today's speech of BoE governor Mark Carney may be indicative for future interest rate expectations.

The Q4 current account balance statistics will see the light of day in USA today.

	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	-0,2	6,0	VIX	11,3	0,5	-19	WTI	48,91	-0,8	-9,0
	DOW	20905,9	0,0	5,8	US 2Y	1,30	-2,1	10	Brent	51,62	-0,3	-9,2
	Nasdaq100	5431,1	0,4	11,7	US 10Y	2,47	-2,8	4	Gold	1233,2	0,4	7,1
	DAX	12052,9	-0,4	5,0	GER 2Y	-0,78	-2,4	2	Silver	17,41	0,5	9,3
	CAC40	5012,2	-0,3	3,1	GER 10Y	0,44	0,6	23	EUR/USD	1,0737	0,0	2,1
	FTSE 100	7429,8	0,1	4,0	PT10Y	3,95	-4,4	19	EUR/GBP	0,8688	0,3	2,0
	FTSE MIB	19968,6	-0,5	3,8	IT 10Y	2,54	0,6	72	EUR/NOK	9,1016	0,0	0,2
	Stoxx600	377,7	-0,2	4,5	SP 10	1,84	-3,7	45	USD/CAD	1,3347	0,0	-0,6
	- Banks	142,8	-0,5	6,4	iTRAXX	69,5	-0,2	-4	AUD/USD	0,7729	0,4	7,1
	Nikkei 225	19601,6	-0,4	0,3	JPY 2Y	-0,26	0,0	-8	USD/JPY	112,55	-0,1	-3,7
SSEC	3262,2	0,4	5,1	JPY 10Y	0,07	-1,1	2	GBP/USD	1,2356	-0,3	0,2	
Regional	RTS	1121,4	0,9	-2,7	RUS10	7,96	-0,5	-5	USD/RUB	57,371	0,5	-6
	WIG20	2281,45	-0,7	17,1	POL 10	3,74	-0,2	3	EUR/PLN	4,2633	-0,3	-3,2
	PX50	979,8	-0,1	6,3	CZ10	0,96	0,0	104	EUR/RON	4,5599	0,2	0,5
Hungary	BUX	32358	-1,3	1,1	3M TB	0,15	0	-1	EUR/HUF	308,15	0,0	-0,2
	OTP	8330	-2,2	-0,8	1Y	0,23	0	5	USD/HUF	286,90	-0,1	-2,2
	MOL	20800	-1,0	0,8	3Y	1,57	-1	71	CHF/HUF	287,16	-0,1	-0,3
	MTelekom	489	-1,0	-1,8	5Y	2,59	0	82	PLN/HUF	72,260	0,5	3,2
	Richter	6500	-0,7	4,7	10Y	3,63	-1	43	GBP/HUF	354,44	-0,1	-2

* 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. 20.	9 : 00 HU	Gross wages (yoy, %)	Jan.	10,0	-	5,7
	15 : 00 EZ	Eurogroup meeting	March	-	-	-
22.	15 : 00 US	Existing home sales (mom, %)	Febr.		5580	5690
23.	8 : 30 HU	Balance of payment (quarterly, EURbn)	Q4		-	1,3
	9 : 00 HU	Retail sales (second estimate, yoy, %)	Jan.		-	4,7*
	10 : 30 UK	Retail sales (mom, %)	Febr.		0,4	-0,3
	13 : 45 US	Janet Yellen speech (Fed Research Conference)	March		-	-
	15 : 00 US	New home sales (annualized monthly, '000s)	Febr.		559	555
	16 : 00 EZ	Consumer confidence index (flash, points)	March		-5,9	-4,9
24.	1 : 30 JP	Nikkei Manufacturing PMI (points)	March		-	53,5
	9 : 00 FR	Markit Service PMI (points)	March		56,4	56,4
	9 : 00 FR	Markit Manufacturing PMI (points)	March		52,5	52,2
	9 : 30 DE	Markit Service PMI (points)	March		54,5	54,4
	9 : 30 DE	Markit Manufacturing PMI (points)	March		56,5	56,8
	10 : 00 EZ	Markit Service PMI (points)	Febr.		55,4	55,6
	10 : 00 EZ	Parlamentarian eleccions	Febr.		55,2	55,4
	13 : 30 US	Durable goods orders (mom, %)	Febr.		1,5	2,0
	14 : 45 US	Markit Service PMI (points)	March		54,0	53,8
	15 : 45 US	Markit Manufacturing PMI (points)	March		54,5	54,2

*preliminary data

Source: Reuters, OTP Research

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