

Treasury Sales Team

Headquarter Treasury Sales

Ionut Constandache
0372 31 85 86
ionut.constandache@otpbank.ro

Corina Bejan
0372 31 85 87
corina.bejan@otpbank.ro

Anamaria Toma
0372 31 85 85
anamaria.toma@otpbank.ro

Cristian Bodirca
0372 31 85 88
cristian.bodirca@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
0755 000 255
alexandru.sabin@otpbank.ro

Andrei Sala - Brasov
0755 000 015
andrei.sala@otpbank.ro



Global Daily Report

Summary

- US markets surged in Friday's buoyant sentiment, but Europe posted smaller gains on Friday
- The EUR/USD returned to Thursday night's closing level, ending a day of ebbs and flows;
- Crude oil prices climbed higher but bitcoin's ordeals continued.

Advanced markets ended the week's trading in upbeat mood. In the USA, President Trump's import restrictions have reportedly softened, and investors also appreciated the slowing wage growth part in the February reading of US labour market statistics. Only one component of the Dow Jones Industrial Average closed down (as Verizon's share price eased one cent); the index gained 3.25% last week. Recovering from the earlier correction, the tech-heavy NASDAQ100 hit record high. The growth was less impressive in Europe, where the DAX shed 0.1%.

The EUR/USD lacked a single direction on Friday, after the euro weakening that followed Mario Draghi's Thursday announcement, which suggested further monetary support for the economy. The US dollar weakened when the US labour market data came out on Friday, but the currency recovered later. Crude oil prices climbed higher. By contrast, bitcoin had a stressful week: a steady decline took its price 20% lower, to USD 8,992 by Friday.

The statistics on the US labour market were rather mixed. Counter-intuitively, the unemployment rate did not sink to 4%, and the annual wage growth dropped to 2.6%, down from 2.9% in January, but the growth in non-farm payrolls (313,000 month/month) has meaningfully surpassed expectations (205,000). Thus the February data suggest that, in line with the Fed's previous assessment, the entrance of previously inactive workers on the labour market can reduce the speed of wage growth. The question is how long this may last.

The USA is to release federal budget statistics 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 | 2739,0 | 0,4 | 2,4 | VIX | 16,5 | -7 | 50 | WTI | 60,12 | -1,9 | -0,5 |
| | DOW | 24895,2 | 0,4 | 0,7 | US 2Y | 2,3 | 0 | 36 | Brent | 63,61 | -1,1 | -4,9 |
| | Nasdaq100 | 6966,4 | 0,5 | 8,9 | US 10Y | 2,9 | -2 | 46 | Arany | 1321,96 | -0,3 | 1,5 |
| | DAX | 12355,6 | 0,9 | -4,4 | GER 2Y | -0,6 | -1 | 8 | Ezüst | 16,49 | 0,0 | -2,7 |
| | CAC40 | 5254,1 | 1,3 | -1,1 | GER 10Y | 0,6 | -3 | 21 | EUR/USD | 1,23 | -0,8 | 2,6 |
| | FTSE 100 | 7203,2 | 0,6 | -6,3 | PT10Y | 1,8 | -4 | -12 | EUR/GBP | 0,89 | -0,1 | 0,3 |
| | FTSE MIB | 22731,1 | 1,1 | 4,0 | IT 10Y | 2,0 | -6 | -2 | EUR/NOK | 9,65 | -0,4 | -2,0 |
| | Stoxx600 | 376,6 | 1,0 | -3,2 | SP 10 | 1,4 | -4 | -17 | USD/CAD | 1,29 | -0,1 | 2,5 |
| | - Banks | 167,2 | -0,1 | 1,3 | iTRAXX | 51,8 | -2 | 15 | AUD/USD | 0,78 | -0,4 | -0,2 |
| | Nikkei 225 | 21368,1 | 0,0 | -6,1 | JPY 2Y | -0,2 | 0 | -2 | USD/JPY | 106,20 | 0,1 | -5,7 |
| SSEC | 3307,2 | 0,6 | 0,0 | JPY 10Y | 0,1 | 0 | 0 | GBP/USD | 1,38 | -0,6 | 2,2 | |
| Regional | RTS | 1270,2 | 0,0 | 10,0 | RUS10 | 7,1 | 0 | -7 | USD/RUB | 57,085 | 0,4 | -1,0 |
| | WIG20 | 2322,1 | -1,6 | -5,7 | POL 10 | 3,2 | -1 | -2 | EUR/PLN | 4,20 | -0,1 | 0,6 |
| | PX50 | 1118,2 | 0,5 | 3,7 | CZ10 | 1,9 | 0 | 28 | EUR/RON | 4,654 | 0,8 | -0,5 |
| Hungary | BUX | 38671 | 1,3 | -1,8 | 3 hó DKJ | 0,02 | 0 | -2 | EUR/HUF | 311,68 | -0,1 | 0,4 |
| | OTP | 11430 | 0,8 | 6,6 | 1 év | 0,05 | -1 | 0 | USD/HUF | 253,10 | 0,7 | -2,2 |
| | MOL | 3004 | 2,2 | 0,0 | 3 év | 0,90 | 0 | 35 | CHF/HUF | 266,08 | 0,0 | 0,4 |
| | MTelekom | 444 | 0,1 | -3,2 | 5 év | 1,56 | 0 | 39 | PLN/HUF | 74,11 | 0,0 | -0,2 |
| | Richter | 5725 | 0,4 | -15,6 | 10 év | 2,71 | -2 | 66 | GBP/HUF | 349,55 | 0,2 | 0,1 |

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

Sources: Reuters, OTP Research

| Data | Cd. | Event/Data | Period | Fact | Cons. | Prev. |
|-------------|---------|-----------------------------------|-------------------------------------------------------------|-------|----------|----------|
| 2018 3. 12. | 19 : 00 | US Federal budget balance (USDbn) | Febr. | | - | 49 |
| | 13. | 13 : 30 | US CPI (yoy, %) | Febr. | 2,1 | 2,1 |
| | | 13 : 30 | US CPI (mom, %) | Febr. | 0,2 | 0,5 |
| | | 13 : 30 | US core-CPI (yoy, %) | Febr. | 1,8 | 1,8 |
| | | 13 : 30 | US core-CPI (mom, %) | Febr. | 0,2 | 0,3 |
| | 14. | 3 : 00 | CN Infrastructural spending (yoy, %) | Febr. | 7,0 | 7,2 |
| | | 3 : 00 | CN Industrial production (yoy, %) | Febr. | 6,1 | 6,2 |
| | | 3 : 00 | CN Retail sales (yoy, %) | Febr. | 9,8 | 9,4 |
| | | 9 : 00 | HU Jerome Powell testimony (House Financial Services Comm.) | Jan. | - | 35,0 |
| | | 9 : 00 | HU Industrial production (second estimate, yoy, %) | Jan. | - | 6,9* |
| | | 11 : 00 | EZ Industrial production (mom, %) | Jan. | -0,2 | 0,4 |
| | | 13 : 30 | US Retail sales (mom, %) | Febr. | 0,3 | -0,3 |
| | | 15 : 00 | US Business inventories (mom, %) | Jan. | 0,5 | 0,4 |
| | 15. | 14 : 30 | US New York Fed Manufacturing index (points) | March | 15,0 | 13,1 |
| | 16. | 11 : 00 | EZ CPI (final, yoy, %) | Febr. | 1 | 1,2* |
| | | 13 : 30 | US Housing starts (annualized monthly, '000s) | Febr. | 1280 | 1326 |
| | | 13 : 30 | US Building permits (annualized monthly, '000s) | Febr. | 1303,0 | 1377,0 |
| | | 14 : 15 | US Industrial production (mom, %) | Febr. | 0,2 | -0,1 |
| | | 15 : 00 | US Michigan Consumer confidence (preliminary, points) | March | 97,0 | 99,7 |
| | 18. | 23 : 55 | RU Presidential election | - | V. Putin | V. Putin |

Sources: Reuters, OTP Research

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

Analyst
Gábor Dunai
dunaig@otpbank.hu
+36 1 374 7272

Disclaimer

OTP Bank Plc. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This material is only for information purposes and it is not intended as an investment advice, an offer or solicitation for the purchase or sale of any financial instrument, and it does not constitute legal, tax or accounting advice.

Information herein reflects the market situation at the time of writing. It provides only momentary information and may change as market conditions and circumstances develop. Additional information may be available on request. Although the information in this document has been prepared in good faith from sources which OTP Bank believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. Opinions and estimates constitute our judgment and are subject to change without notice. OTP Bank may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments is made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. Any concrete individual decision or investment made based on this publication is the sole risk of the Client and OTP Bank shall not be held responsible for the success of the investment decisions or for attaining the Client's target.

Figures described herein refer to the past and past performance is not a reliable indicator of future results.

OTP Bank Plc. (registered seat: Nádor utca 16., Budapest H-1051, Hungary. Supervisory authority: Magyar Nemzeti Bank (National Bank of Hungary – H-1013 Budapest, Krisztina krt. 39.sz.) PSZÁF licence numbers: III/41.003-22/2002 and E-III/456/2008. For more information, please refer to: <https://www.otpbank.hu/portal/hu/Megtakaritas/Ertekpapir/MIFID>). All rights reserved. This publication is exclusively owned by OTP Bank Plc., no part of this material can be reproduced, re-used or disseminated without the prior written consent of OTP Bank Plc.

If you received this document from OTP Bank Plc, then it was sent to you with your previous consent. You may withdraw this permission by sending an e-mail to research@otpbank.hu or writing a letter addressed to "Research Center" Hungary 1051, Budapest Nádor utca. 21. Please refer to your name and e-mail address in both cases.

Disclaimer for OTP Bank Romania S.A. customers

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centred on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to csaba.balint@otpbank.ro or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.