

Global Daily Report



Treasury Sales Team

+40372 31 85 88

sales.treasury@otpbank.ro

Summary

- Pessimism returned to the stock markets of America and Europe on Wednesday
- Theresa May offered to step down if the UK Parliament passes her Brexit deal with the EU
- China is prepared to make concessions to advance trade talks with the USA
- Government bond yields dropped yesterday.

Trading on Europe's equity markets lacked a single direction: the FTSE100, the DAX and the Stoxx600 all stagnated, and the CAC40 inched 0.1% down yesterday. One reason for the unresponsive sentiment was the concern that the economy was slowing; this was exacerbated by Mario Draghi's statement that the beginning of the ECB tightening cycle may be delayed. That said, the ECB's President hinted at measures to counterbalance the adverse effects of the extremely low interest rate environment. This message sent banking shares higher – Deutsche Bank advanced 1.1% and Société Générale surged 2.5%.

America's stock markets closed with losses: the Dow shed 0.1%, the S&P dropped 0.5%, and the Nasdaq100 fell 0.6%.

Prime Minister Theresa May offered to step down once the UK Parliament passes her Brexit agreement. She is prepared to leave this job earlier than intended 'in order to do what is right for our country and our party' she said to Tory MPs. This move is an attempt to win over hard-line Brexiteers and get them to vote for the deal. Reacting to the announcement, an influential member of the faction that supports hard Brexit, Jacob Rees-Mogg said he was waiting to see if the DUP's (Northern Ireland's Democratic Unionist Party) ten MPs would back the deal before deciding whether to get behind it. But the DUP said it would vote against the deal. Another influential hardliner Brexiteer, former foreign secretary Boris Johnson said he would vote for the agreement. One reason for the weakening resistance of hard Brexiteers may be the fear that if Mrs May's deal is rejected, Britain's departure may not occur after all, as the Brexiteers' opposition strengthens. Last night the House of Commons voted to delay Brexit but this seems a rather symbolic step given that the EU had agreed to putting off the departure date to 12 April (if Theresa's May's deal is rejected) or to 22 May (if the agreement is passed). The UK Parliament debated a number of alternative Brexit proposals yesterday, including no-deal Brexit and revoking Article 50 – but none of the proposals won support from the majority of MPs.

China is prepared to make concessions to advance the trade talks with the USA, Reuters reported. The set of proposals includes a number of areas, including forced technology transfers. Today trade representative Robert Lighthizer and Treasury Secretary Steve Mnuchin start a new round of talks in Beijing.

The USD's appreciation brought the EUR/USD 0.2% down. The GBP's strengthening against the euro suddenly reversed last night when the UK parliament appeared to be in a quorum.

American and German 2Y and 10Y government bond yields dropped by four to seven basis points.

The European Commission's economic sentiment indicator and US housing market data are scheduled for release today. Brexit developments are also worth checking – we may learn more about Prime Minister Theresa May's plan to get the UK Parliament approve her deal on Friday.

	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	2805,4	-0,5	11,9	VIX	15,2	3,2	-40	WTI	59,4	-0,8	30,8
	DOW	25625,6	-0,1	9,9	US 2Y	2,21	-5,2	-29	Brent	67,83	-0,2	26,1
	Nasdaq100	7308,2	-0,6	15,5	US 10Y	2,37	-4,0	-32	Gold	1309,5	-0,5	2,1
	DAX	11419,0	0,0	8,1	GER 2Y	-0,61	-5,1	-2	Silver	15,29	-0,9	-1,3
	CAC40	5301,2	-0,1	12,1	GER 10Y	-0,08	-6,7	-33	EUR/USD	1,1247	-0,2	-1,9
	FTSE 100	7194,2	0,0	6,9	PT10Y	1,26	-4,0	-46	EUR/GBP	0,8523	-0,1	-5,1
	FTSE MIB	21194,2	0,3	15,7	IT 10Y	2,44	-3,2	-34	EUR/NOK	9,7031	0,8	-2,0
	Stoxx600	377,3	0,0	11,7	SP 10	1,06	-4,5	-36	USD/CAD	1,3409	0,2	-1,7
	- Banks	117,4	0,5	3,9	iTRAXX	68,4	1,3	-22,3	AUD/USD	0,7084	-0,7	0,5
	Nikkei 225	21033,8	-1,6	5,1	JPY 2Y	-0,18	-0,9	-4	USD/JPY	110,51	-0,1	0,9
	SSEC	2997,4	-0,8	20,2	JPY 10Y	-0,09	-2,6	-10	GBP/USD	1,3189	-0,1	3,4
Regional	RTS	1207,2	-1,8	13,2	RUS10	8,3	0,7	-5	USD/RUB	64,848	0,7	-6,9
	WIG20	2315,17	-0,4	1,7	POL 10	2,8	-1,9	-1	EUR/PLN	4,29	0,0	0,1
	PX50	1077,0	0,2	9,2	CZ10	1,8	-1,6	-6	EUR/RON	4,756	0,1	2,2
Hungary	BUX	41316	-1,0	5,6	3M DKJ	0,03	0,0	-4	EUR/HUF	319,67	0,4	-0,4
	OTP	12450	-2,5	10,3	1Y	0,29	-0,6	-16	USD/HUF	284,28	0,6	1,6
	MOL	3282	-0,5	6,6	3Y	1,29	-15,2	4	CHF/HUF	285,61	0,5	0,1
	MTelekom	469	-0,6	6,6	5Y	1,95	-14,0	-58	PLN/HUF	74,40	0,2	-0,3
	Richter	5290	-0,1	-2,6	10Y	2,90	-8,0	-14	GBP/HUF	375,02	0,5	5,3

* 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.
2019. 3. 25. 8 : 30	HU	Balance of payments (quarterly, EURm)	Q4	-349	-111	-243
10 : 00	DE	IFO Economic sentiment index (points)	Mar	99,6	98,7	98,5
26. 13 : 30	US	Housing starts (annualized monthly, '000s)	Feb	1162,0	1213	1230
13 : 30	US	Building permits (annualized monthly, '000s)	Feb	1296	1300	1317
14 : 00	US	Case-Shiller Home Price Index (yoy, %)	Jan	3,6	4,0	4,2
14 : 00	HU	Interest rate decision (%)	Mar	0,9	0,9	0,9
15 : 00	US	Consumer confidence (point)	Mar	124,1	132,0	131,4
27. 9 : 00	EZ	Mario Draghi speech	-	-	-	-
28. 9 : 00	HU	Unemployment rate (%)	Feb	-	-	3,7
11 : 00	EZ	EC Economic Sentiment Index (points)	Mar	-	105,9	106,1
13 : 30	US	GDP (detailed , yoy, annualized, %)	Q4	-	2,4	2,6*
13 : 30	US	Continuing jobless claims ('000s)	weekly	-	1750	1750
13 : 30	US	Initial jobless claims ('000s)	weekly	-	225	221
14 : 00	DE	CPI (preliminary, yoy, %)	Mar	-	1,6	1,5
15 : 00	US	Pending home sales (mom, %)	Feb	-	0,7	4,6
29. 8 : 00	DE	Retail sales (mom, %)	Feb	-	-0,9	3,3
9 : 00	HU	Industrial producer prices (yoy, %)	Feb	-	-	3,8
9 : 00	HU	Gross wages (yoy, %)	Jan	-	-	10,2
10 : 30	UK	GDP (detailed, yoy, %)	Q4	-	1,3	1,3*
13 : 30	US	Personal income (mom, %)	Feb	-	0,3	-0,1
13 : 30	US	Personal consumption (adjusted, mom, %)	Jan	-	0,3	-0,5
14 : 45	US	Chicago PMI (points)	Mar	-	61,0	64,7
15 : 00	US	New home sales (annualized monthly, '000s)	Feb	-	620,0	607,0
31. 3 : 00	CN	NBS non-Manufacturing PMI (points)	Mar	-	-	54,3
3 : 00	CN	NBS Manufacturing PMI (points)	Mar	-	49,5	49,2
23 : 55	UA	Presidential election	-	-	-	-

*preliminary data

Sources: Reuters, OTP Research

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

Analyst
Balázs Lukács
balazs.lukacs@otpbank.hu
+36 1 354 7490

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