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# Daily Report

### Summary

- Germany's car manufacturers fared well on Tuesday; the ZEW economic sentiment index for March surpassed the weak expectations.
- China is pushing back on some of the USA's demands in the bilateral trade talks.
- The EUR/HUF sank to 313 levels.
- The Fed Open Market Committee's two-day monetary policy meeting is to end today.

Tuesday's sentiment was fairly positive on Western Europe's key stock markets. Fuelled by the rally of the auto industry and its suppliers, Germany's DAX excelled yesterday. The optimism also benefited from the March reading of the ZEW sentiment index on the German economy. Despite remaining in negative territory, the index meaningfully exceeded expectations. The new episode in the Brexit saga comes with speculations if the 29 March deadline would be extended, as the Speaker of the House of Commons ruled out another vote on Theresa May's Brexit deal in its current form.

Trade war-related reports cast clouds over the last hours of trading in America, where only the Nasdaq100 could climb into positive territory. Citing American negotiators, Bloomberg said China was pushing back on a number of US demands. The euro's uptick sent the EUR/USD higher in Tuesday's trading.

The BUX (-0.2%) failed to keep pace with Western Europe's indices. MOL was the only Hungarian blue chip to eke out gain. The forint's appreciation, which started simultaneously with the Budapest Stock Exchange's opening, continued throughout the day. The EUR/HUF closed at 313.1, while the USD/HUF slipped 0.4%, ending the day at 275.7.

In Tuesday's auction the ÁKK put up for sale HUF 25 bn government debt in 3M discount Treasury Bills, and accepted HUF 20 bn of the bids; the average yield was 0%. On the secondary market, bond yields fell by five to seven basis points. The list of 3Y benchmark securities will change today.

The USA imposed sanctions on Venezuela's state-owned Minerven gold mine and its head, claiming that President Maduro uses the gold to finance the army to win its support.

Today the Fed Open Market Committee's meeting and its new economic forecast may influence markets. The fed funds rates are expected to be left at 2.25-2.5, but new information may emerge about the framework of the balance sheet tapering, and about any rate hikes later in the year. In Brexit-related news, we may learn on what grounds and for how long Teresa May's government will request an extension to the departure date.

|          | 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       | 2832,6  | 0,0              | 13,0    | VIX          | 13,6  | 3,5           | -47     | WTI            | 59,0   | -0,1             | 30,0    |
|          | DOW          | 25887,4 | -0,1             | 11,0    | US 2Y        | 2,47  | 1,3           | -3      | Brent          | 67,61  | 0,1              | 25,7    |
|          | Nasdaq100    | 7349,3  | 0,3              | 16,1    | US 10Y       | 2,61  | 1,1           | -8      | Gold           | 1306,3 | 0,2              | 1,8     |
|          | DAX          | 11788,4 | 1,1              | 11,6    | GER 2Y       | -0,52 | 0,7           | 7       | Silver         | 15,35  | -0,6             | -0,8    |
|          | CAC40        | 5425,9  | 0,2              | 14,7    | GER 10Y      | 0,10  | 2,3           | -14     | EUR/USD        | 1,1349 | 0,1              | -1,0    |
|          | FTSE 100     | 7324,0  | 0,3              | 8,9     | PT10Y        | 1,32  | 4,3           | -41     | EUR/GBP        | 0,8557 | 0,0              | -4,8    |
|          | FTSE MIB     | 21430,4 | 0,9              | 17,0    | IT 10Y       | 2,49  | 6,3           | -29     | EUR/NOK        | 9,6780 | -0,1             | -2,3    |
|          | Stoxx600     | 384,3   | 0,6              | 13,8    | SP 10        | 1,18  | 1,5           | -24     | USD/CAD        | 1,3319 | -0,1             | -2,3    |
|          | - Banks      | 124,0   | 0,2              | 9,7     | iTRAXX       | 56,7  | -4,6          | -35,6   | AUD/USD        | 0,7087 | -0,2             | 0,5     |
|          | Nikkei 225   | 21608,9 | 0,2              | 8,0     | JPY 2Y       | -0,16 | -0,3          | -2      | USD/JPY        | 111,37 | 0,0              | 1,7     |
| SSEC     | 3090,6       | 0,0     | 23,9             | JPY 10Y | -0,04        | 0,5   | -4            | GBP/USD | 1,3267         | 0,1    | 4,0              |         |
| Regional | RTS          | 1219,8  | 0,5              | 14,4    | RUS10        | 8,3   | -0,4          | -5      | USD/RUB        | 64,374 | 0,0              | -7,6    |
|          | WIG20        | 2352,42 | 0,3              | 3,3     | POL 10       | 2,9   | 0,8           | 2       | EUR/PLN        | 4,29   | -0,1             | 0,0     |
|          | PX50         | 1075,4  | -0,1             | 9,0     | CZ10         | 2,0   | 1,4           | 1       | EUR/RON        | 4,761  | 0,2              | 2,3     |
| Hungary  | BUX          | 42014   | -0,2             | 7,3     | 3M DKJ       | 0,07  | 0,9           | 0       | EUR/HUF        | 312,91 | -0,3             | -2,5    |
|          | OTP          | 12800   | -0,2             | 13,4    | 1Y           | 0,37  | 0,0           | -8      | USD/HUF        | 275,57 | -0,5             | -1,5    |
|          | MOL          | 3350    | 0,2              | 8,8     | 3Y           | 0,95  | -1,9          | -30     | CHF/HUF        | 275,91 | -0,3             | -3,3    |
|          | MTelekom     | 465     | -1,2             | 5,6     | 5Y           | 2,27  | -5,0          | -26     | PLN/HUF        | 73,02  | -0,2             | -2,1    |
|          | Richter      | 5305    | -1,2             | -2,3    | 10Y          | 3,16  | -9,0          | 12      | GBP/HUF        | 365,99 | -0,1             | 2,7     |

\* 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. 19. 11 : 00 | DE  | ZEW Economic Sentiment (points)   | Mar    | -3,6 | -11,6    | -13,4    |
| 15 : 00             | US  | Factory orders (mom, %)           | Jan    | 0,1  | -0,5     | 0,1      |
| 20. 10 : 30         | UK  | Inflation (yoy, %)                | Feb    |      |          | 1,8      |
| 10 : 30             | UK  | Core inflation (yoy, %)           | Feb    |      |          | 1,9      |
| 19 : 00             | US  | Interest rate decision (%)        | Mar    |      | 2,25-2,5 | 2,25-2,5 |
| 19 : 00             | US  | FOMC economic forecast            | Mar    |      | -        | -        |
| 21. 10 : 30         | UK  | Retail sales (mom, %)             | Feb    |      |          | 1,0      |
| 13 : 00             | UK  | Interest rate decision (%)        | Mar    |      | 0,8      | 0,8      |
| 13 : 30             | US  | Continuing jobless claims ('000s) | weekly |      |          | 1773     |
| 13 : 30             | US  | Initial jobless claims ('000s)    | weekly |      |          | 239      |
| 15 : 00             | US  | Leading index (mom, %)            | Feb    |      | 0,1      | -0,1     |
| 16 : 00             | EZ  | Consumer confidence (point)       | Mar    |      | -7,4     | -7,4     |
| 22. 0 : 30          | JP  | CPI (yoy, %)                      | Feb    |      |          | 0,2      |
| 0 : 30              | JP  | core-CPI (yoy, %)                 | Feb    |      |          | 0,8      |
| 1 : 30              | JP  | Nikkei Manufacturing PMI (points) | Mar    |      | -        | 48,9     |
| 8 : 15              | FR  | Markit Manufacturing PMI (points) | Mar    |      |          | 51,5     |
| 8 : 15              | FR  | Markit Service PMI (points)       | Mar    |      |          | 50,2     |
| 9 : 30              | DE  | Markit Manufacturing PMI (points) | Mar    |      | 48,2     | 47,6     |
| 9 : 30              | DE  | Markit Service PMI (points)       | Mar    |      | 54,9     | 55,3     |
| 10 : 00             | EZ  | Markit Manufacturing PMI (points) | Mar    |      | 49,5     | 49,3     |
| 10 : 00             | EZ  | Markit Service PMI (points)       | Mar    |      | 52,5     | 52,8     |
| 14 : 45             | US  | Markit Service PMI (points)       | Mar    |      |          | 56,0     |
| 15 : 00             | US  | Existing home sales (mom, %)      | Feb    |      | 5100     | 4940     |
| 15 : 45             | US  | Markit Manufacturing PMI (points) | Mar    |      |          | 53,0     |
| 19 : 00             | US  | Federal budget balance (USDbn)    | Feb    |      |          | 9,0      |

\*preliminary data

Sources: Reuters, OTP Research

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This document was prepared on 20 March 2019.

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