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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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