

DenizBank AG 



FX & Markets Weekly

Week 8/2015

DenizBank AG
Economic Research and Development
Vienna, Austria



Greek sovereign debt investors don't fear Grexit yet

With Greece-EU talks remaining inconclusive another week, Commerzbank sees the chance of Greece exiting the euro area at 50%. Barclays puts the exit risk even higher as in 2012. A separate Greek sovereign bond index shows those with money at stake don't see a significant rise in the Grexit risk. The market-value weighted index closed at 24% over its 5-year average on Thursday. Additionally, the index is 5-times higher than the 2012 level it reached as Greece got its international bailout.

Fed drives Treasury slump

Treasuries have slumped over 2,4% in February heading for the steepest monthly loss in 5 years. The Germany-U.S. spread widened to 177 basis points this week, the most since 1989. At their Jan. 27-28 meeting, officials discussed the timing and pace of potential rate increases. Many were inclined to keep the benchmark federal fund rate unchanged "for a longer time," according to minutes released Feb. 18. Yellen will lay out the central bank's views of the economy and policy when she testifies before Congress next week.

Last 3Y LTRO early repayment before redemption

ECB excess liquidity declined EUR 15bn to EUR 156bn this week. Part of the remaining EUR 92bn outstanding 3Y LTRO might be shifted into weekly and 3M operations. Liquidity conditions should remain within recent levels.

Suprationals gain on ECB QE

Since the ECB's announcement of expanded asset purchase program, supranational bonds have been overperforming peers, and the EFSF has outperformed the remaining SSA universe. Gross issuance from ECB eligible SSAs is expected to reach EUR 120bn this year, of which the ECB will buy around EUR 90bn.

Oil heads for weekly loss amid record U.S. stockpiles

Oil heads for its 1st weekly loss in a month as U.S. crude inventories rose to 425 million barrels through Feb. 13, the highest level in weekly records compiled by the Energy Information Administration since August 1982. Rising U.S. oil supplies have contributed to a global oversupply of crude that sent prices almost 50 percent lower in 2014. U.S. drillers have reduced their number of rigs by 33% in 10 weeks. WTI for March delivery slipped 16 cents to USD 51 a barrel in New York. The more-active April future fell 23 cents to USD 51,60 in London. Volume of all futures traded was about 47% below the 100-day average.



DenizBank AG

Economic Research and Development

Exchange Rates	Price as of 02/20/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
EUR/USD	1,1299	-0,84	-2,16	-9,90
EUR/TRY	2,7831	-0,50	2,83	0,00
EUR/CHF	1,0697	0,68	5,64	-11,02
EUR/GBP	0,73505	-0,69	-3,59	-8,07
EUR/JPY	133,92	-1,12	-2,35	-9,60
EUR/RUB	70,0658	-2,87	-6,84	20,83
EUR/CNY	7,0919	-0,57	-1,48	-7,88
USD/TRY	2,4627	0,31	5,10	11,04
USD/JPY	118,52	-0,23	-0,19	0,33
USD/RUB	62,0109	-2,28	-4,82	33,94
USD/CNY	6,2562	0,25	0,68	2,12

Sovereign Bonds 10Y	Price as of 02/20/2015	Change % 5 days	Change % 1 Month	Ask YTM
Austria	124,21	0,05	0,32	0,23
Belgium	115,00	0,06	0,42	0,41
China	104,00	0,43	0,78	3,25
EFSF	122,46	-0,01	0,77	0,22
ESM	114,89	-0,02	0,80	0,37
France	114,31	-0,02	0,16	0,35
Germany	110,84	0,08	0,48	0,12
Greece	62,14	-4,79	-2,96	10,36
Japan	104,36	0,29	-1,05	0,23
Portugal	122,41	0,38	1,97	2,08
Spain	130,65	0,07	-0,62	1,32
Russia	77,70	0,26	10,19	12,48
Switzerland	133,41	-0,18	-1,25	-0,19
Turkey	96,50	-0,52	2,87	7,69
UK	101,25	-0,61	-1,53	1,56
US	97,81	-0,09	-1,90	1,92

Turkey related	Price as of 02/20/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
TRY Basket	2,6223	-0,31	3,84	4,92
WAC of CBRT (T-2)	7,95	-0,38	-5,58	-3,99
Gold TRY / gram	95,99	-1,02	-1,44	13,08
TR Gov. Bond 2Y	8,1	0,00	8,58	1,00

Euribor/Eonia	Price as of 02/20/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
Eonia (T-1)	-0,034	24,44	54,67	-47,83
Euribor 1 Month	0,001	-50,00	120,00	-88,89
Euribor 3 Month	0,048	0,00	-12,73	-40,74
Euribor 6 Month	0,124	-2,36	-12,68	-31,49
Euribor 12 Month	0,250	-3,48	-11,97	-25,60

EUR Libor	Price as of 02/18/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
EUR Libor O/N	-0,102	-2,86	33,64	-39,81
EUR Libor 1M	-0,006	39,96	66,67	-400,47
EUR Libor 3M	0,025	-7,72	-12,22	-54,44
EUR Libor 6M	0,091	-1,54	-14,09	-37,86
EUR Libor 12M	0,222	-1,88	-10,86	-25,89

Commodities Energy Futures	Price as of 02/20/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
WTI crude	51,65	0,86	11,15	-31,88
BRENT crude	60,91	-1,01	23,88	-24,56
GAS oil	573,00	-0,87	20,45	-19,13
Heating oil	208,17	8,64	30,72	-11,12
Natural gas	2,93	8,11	4,01	-35,02
Gold Spot	1.212,38	-1,37	-6,27	1,80
Silver Spot	16,45	-5,19	-8,06	1,78
Platinum Spot	1.166,25	-3,37	-9,22	-3,18
Palladium Spot	781,95	-1,19	0,29	1,85
Copper	257,75	-0,73	-0,46	-14,21

Stock Indices	Price as of 02/20/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
ATX	2.441	1,10	12,47	10,22
BIST 100	85.375	-0,45	-4,23	3,53
CAC 40	4.782	0,66	7,75	13,14
DAX	10.965	0,16	7,05	15,78
Dow Jones (T-1)	17.986	0,69	2,69	1,51
Euro Stoxx 50	3.456	0,43	6,70	11,61
FTSE 100	6.898	0,40	4,25	3,33
HANG SENG	24.832	2,13	4,61	6,24
IBEX 35	10.793	0,66	5,12	5,89
MICEX	1.790	-2,64	13,92	16,94
NASDAQ 100 (T-1)	4.412	2,67	5,77	4,00
NIKKEI 225	18.332	2,34	5,56	5,96
S&P 500 (T-1)	2.097	1,40	3,70	2,18

Interest Rate Futures	Price as of 02/20/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
Bobl	131,19	0,09	0,53	1,39
Bund	159,13	0,05	0,88	4,35

Risk Sentiment	Price as of 02/20/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
Baltic Dry Index	511	-5,37	-32,14	-61,64
VIX	15,29	-9,85	-23,13	12,59
Turkey 5Y CDS (T-1)	186,542	-1,84	0,90	9,95
MSCI EM Index (T-1)	985,07	-0,16	2,90	-0,51

USD Libor	Price as of 02/18/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
USD Libor O/N	0,118	0,00	-1,75	22,41
USD Libor 1M	0,173	1,05	3,27	11,94
USD Libor 3M	0,260	0,97	1,56	12,40
USD Libor 6M	0,385	1,85	8,57	18,32
USD Libor 12M	0,684	2,93	12,17	21,93

TRY Libor	Price as of 02/20/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
TRY Libor O/N	10,773	-1,91	2,12	16,80
TRY Libor 1M	10,136	-1,21	3,01	6,82
TRY Libor 3M	9,422	-1,13	5,10	-3,21
TRY Libor 6M	8,976	-1,68	4,02	-7,80
TRY Libor 12M	8,965	-1,70	3,89	-7,91

DenizBank AG

Economic Research and Development

Date Time	Country	Economic Release	Period	Consensus	Actual	Prior
02/13/2015 14:30	US	Import Price Index MoM	Jan	-3.2%	-2.8%	-2.5%
02/13/2015 16:00	US	U. of Mich. Sentiment	Feb P	98.1	93.6	98.1
02/17/2015 16:00	US	NAHB Housing Market Index	Feb	58	55	57
02/18/2015 13:00	US	MBA Mortgage Applications	Feb 13	--	-13.2%	-9.0%
02/18/2015 14:30	US	Housing Starts	Jan	1070K	1065K	1089K
02/18/2015 14:30	US	Building Permits	Jan	1067K	1053K	1032K
02/18/2015 14:30	US	PPI Final Demand MoM	Jan	-0.4%	-0.8%	-0.3%
02/18/2015 14:30	US	PPI Ex Food and Energy MoM	Jan	0.1%	-0.1%	0.3%
02/18/2015 14:30	US	PPI Ex Food, Energy, Trade MoM	Jan	0.1%	-0.3%	0.1%
02/18/2015 14:30	US	PPI Final Demand YoY	Jan	0.3%	0.0%	1.1%
02/18/2015 14:30	US	PPI Ex Food and Energy YoY	Jan	2.0%	1.6%	2.1%
02/18/2015 14:30	US	PPI Ex Food, Energy, Trade YoY	Jan	1.3%	0.9%	1.3%
02/18/2015 15:15	US	Industrial Production MoM	Jan	0.3%	0.2%	-0.1%
02/18/2015 15:15	US	Capacity Utilization	Jan	79.9%	79.4%	79.7%
02/18/2015 15:15	US	Manufacturing (SIC) Production	Jan	0.4%	0.2%	0.3%
02/18/2015 22:00	US	Net Long-term TIC Flows	Dec	--	\$35.4B	\$33.5B
02/18/2015 22:00	US	Total Net TIC Flows	Dec	--	-\$174.8B	-\$6.3B
02/19/2015 14:30	US	Initial Jobless Claims	Feb 14	290K	283K	304K
02/19/2015 14:30	US	Continuing Claims	Feb 7	2360K	2425K	2354K
02/19/2015 16:00	US	Leading Index	Jan	0.3%	0.2%	0.5%
02/13/2015 11:00	EU	GDP SA QoQ	4Q A	0.2%	0.3%	0.2%
02/13/2015 11:00	EU	GDP SA YoY	4Q A	0.8%	0.9%	0.8%
02/16/2015 11:00	EU	Trade Balance SA	Dec	19.0B	23.3B	20.0B
02/16/2015 11:00	EU	Trade Balance NSA	Dec	20.0B	24.3B	20.0B
02/17/2015 08:00	EU	EU27 New Car Registrations	Jan	--	6.7%	4.7%
02/17/2015 11:00	EU	ZEW Survey Expectations	Feb	--	52.7	45.2
02/18/2015 11:00	EU	Construction Output MoM	Dec	--	-0.8%	-0.1%
02/18/2015 11:00	EU	Construction Output YoY	Dec	--	-3.5%	2.2%
02/19/2015 10:00	EU	ECB Current Account SA	Dec	--	17.8B	18.1B
02/19/2015 10:00	EU	Current Account NSA	Dec	--	29.2B	24.6B
02/19/2015 16:00	EU	Consumer Confidence	Feb A	-7.5	-6.7	-8.5
02/16/2015 09:00	TR	Unemployment Rate	Nov	10.5%	10.7%	10.4%
02/19/2015 09:00	TR	Consumer Confidence Index	Feb	68.0	68.1	67.7
02/13/2015 09:00	RU	Money Supply Narrow Def	Feb 16	--	8.04T	8.05T
02/16/2015 14:00	RU	Industrial Production YoY	Jan	0.7%	0.9%	3.9%
02/18/2015 14:00	RU	PPI MoM	Jan	0.9%	1.3%	0.8%
02/18/2015 14:00	RU	PPI YoY	Jan	6.2%	7.1%	5.9%
02/18/2015 14:00	RU	CPI WoW	Feb 16	--	0.4%	0.6%
02/18/2015 14:00	RU	CPI Weekly YTD	Feb 16	--	5.2%	4.8%
02/18/2015 16:15	RU	Real Disposable Income	Jan	-6.8%	-0.8%	-7.3%
02/18/2015 16:15	RU	Real Wages YoY	Jan	-6.1%	-8.0%	-4.7%
02/18/2015 16:15	RU	Retail Sales Real MoM	Jan	-29.1%	-33.6%	23.6%
02/18/2015 16:15	RU	Retail Sales Real YoY	Jan	-1.9%	-4.4%	5.3%
02/18/2015 16:15	RU	Investment In Productive Capacity YoY	Jan	-7.2%	-6.3%	-2.4%
02/18/2015 16:15	RU	Unemployment Rate	Jan	5.7%	5.5%	5.3%



Should you have any queries, please contact me as follows:

Mag. Ahmet Hüsrev BILGIN, Economic Research and Development

Tel: 0505105/2430

Email: ahmet.bilgin@denizbank.at

Disclaimer:

This report was prepared by DenizBank AG exclusively for the purpose of providing you with information. The information, analyses and forecasts contained in this report are based on the knowledge of the various authors at the time the various texts were finalised for publication. DenizBank AG reserves the right to amendments or additions in this regard at any time without prior notice. The contents of this newsletter are protected by intellectual property rights – especially copyright. The use of texts, parts of texts or image material or the reproduction of information or data requires the prior written consent of DenizBank AG. We have carefully checked the information in this report and have prepared it to our best knowledge and judgement. However, DenizBank AG does not assume any liability whatsoever for the accuracy, completeness or up-to-datedness of the information contained in this report and/or for the realisation of the forecasts made therein. This applies likewise for all other websites accessed via links contained within this report. The main source was the following: Bloomberg Finance LP. Every investment decision must be made in accordance with the personal circumstances of the investor. This report is intended for customers who are able to make their investment decisions independently and who do not solely rely on the analyses and forecasts provided by DenizBank AG. This report is non-binding and does not constitute an offer to purchase the products named nor is it an investment recommendation.

Website credits and disclosures made in accordance with Sections 24 and 25 Media Act:

Media content owner: DenizBank AG (FN 142199 t, Commercial Court of Vienna),

Thomas-Klestil-Platz 1, 1030 Vienna;

Registered address of the company: Vienna;

DPR number: 0845981

Object of the company: Banking;

Members of the Management Board:

Ahmet Mesut Ersoy, Mehmet Ulvi Taner, Dr. Thomas Roznovsky, Tuncay Akdevelioglu;

Members of the Supervisory Board:

Sergey Gorkov, Hakan Ates, Dr. Kurt Heindl, Derya Kumru, Wouter van Roste, Alexander Vedyakhin

Shareholder structure: Member of the Sberbank Group

Purpose of document: This report summarises the significant developments within the financial markets over the previous week and comments on their underlying background.