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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	13 982	↔ 0,00	↑ 0,08
S&P500	1 520	↔ 0,00	↑ 0,18
Nasdaq100	2 765	↔ 0,00	↓ -0,36
Russell2000	923	↔ 0,00	↑ 1,11
Stoxx600	287	↓ -0,20	↑ 0,40
DAX	7 629	↑ 0,46	↓ -0,07
FTSE 100	6 318	↓ -0,16	↑ 0,66
CAC40	3 667	↑ 0,18	↑ 0,45
ATX	2 394	↓ -0,24	↓ -0,48
IBEX35	8 109	↓ -0,51	↑ 0,38
Nikkei 225	11 372	↓ -0,31	↑ 0,03
Hang Seng	23 382	↓ -0,27	↑ 0,72
SSEC	2 422	↓ -0,45	↓ -0,45
SENSEX	19 501	↑ 0,17	↑ 0,21
RTS	1 579	↑ 0,09	↓ -0,21
Bovespa	57 614	↓ -0,50	↓ -1,51

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3354	↑ 0,02	↓ -0,74
EUR/CHF	1,2327	↓ -0,01	↓ -0,07
USD/GBP	1,5480	↑ 0,10	↓ -1,16
USD/JPY	93,63	↓ -0,34	↑ 0,18
AUD/USD	1,0330	↑ 0,23	↑ 0,24
USD/CAD	1,0102	↓ -0,02	↑ 0,82

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,5	↓ -0,2	↓ -0,6
EMBI+ Spread	287	↑ 12	↑ 30
CDS 5Y PIIS	223	↑ 3	↓ -15
CDS 5Y Italy	201	↑ 2	↓ -19
CDS 5Y Belg.	41	↑ 0	↓ -2
iTraxx 5Y EU	112,7	↑ 1	↓ -3
US TED Spread	18,7	↓ 0	↓ -2

Source: Reuters, OTP Research

Summary

- With American markets being closed owing to President's Day, trading in Europe was lacklustre on Monday.
- Speaking at the European Parliament yesterday, ECB President Mario Draghi pointed out that the ECB could stimulate lending only via banks' funding; it cannot remedy capital shortage or banks' general risk-aversion.

With American stock markets closed owing to President's Day, the first trading day of the week was lacklustre in Europe and its key stock markets closed with mixed results. Germany's DAX index added 0.5%, while France's CAC40 went up 0.2%, while the London stock exchange's benchmark index upped 0.2%. The eurozone periphery's stock exchanges were weak performers on Monday: the benchmarks in Madrid and Milan both slipped 0.5%, and the index in Athens lost near 2%. The loser of the day in Europe was Carlsberg, the poor quarterly results slashed its stock price by 5.8%. On the Spanish stock exchange, Telefónica eased 1.1% as the depreciation of Venezuela's currency caused a 438-million-euro one-off loss to the company. Lufthansa was one of Germany's best performers, as the airline company's stocks benefited 2% from Deutsche Bank's upgrading its shares from Hold to Buy. Daimler also contributed to the hike: the car manufacturer's stocks firmed 1.2%, after USB included it in the best buys list.

In this morning's trading, Asian indices closed mixed. The Japanese benchmark sank slightly, eroding some of the gains made in the recent days.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,27	↑ 1	↑ 2
US 10Y	2,01	↑ 1	↑ 5
JP 2Y	0,04	↓ 0	↑ 1
JP 10Y	0,75	↓ -1	↓ -1
GER 2Y	0,18	→ 0	↑ 1
GER 10Y	1,63	↓ -2	↑ 2

CENTRAL BANKS' RATES

	Rate (%)	6M Consensus	1Y Consensus
Fed Funds	0,25	→ 0,25	→ 0,25
ECB Rate	0,75	↓ 0,50	→ 0,75
BOE Rate	0,50	→ 0,50	→ 0,50
BOJ Rate	0,10	→ 0,10	→ 0,10
SNB Target	0,00	→ 0,00	→ 0,00

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
US 3M Libor	0,29	↓ 0	↓ 0
US 2Y Swap	0,40	↓ 0	↓ -1
US 5Y Swap	0,99	↑ 0	↓ 0
EUR 3M Euribor	0,22	↓ 0	↓ 0
EUR 2Y Swap	0,55	↑ 0	↓ -4
EUR 5Y Swap	1,07	↓ -1	↓ -3
GB 3M Libor	0,51	→ 0	→ 0
GB 2Y Swap	0,68	↓ -1	↑ 1
GB 5Y Swap	1,18	↓ -2	↓ -1
JP 3M Libor	0,16	→ 0	↓ 0
JP 2Y Swap	0,20	↓ -1	↑ 1
JP 5Y Swap	0,27	↓ -2	↓ -1
CHF 3M Libor	0,02	→ 0	→ 0
CHF 2Y Swap	0,12	↑ 0	→ 0
CHF 5Y Swap	0,46	↓ -1	↓ -2

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	117,3	↓ -0,07	↓ -1,15
Gold	1 613	↑ 0,20	↓ -2,28

Source: Reuters, OTP Research

Speaking at the European Parliament yesterday, ECB President Mario Draghi pointed out that the European Central Bank could stimulate lending only via banks' funding; it cannot remedy capital shortage or banks' general risk aversion. The central bank's head pointed out that the biggest challenge the ECB was facing is how to enhance the loose monetary policy conditions' effects in real economy. Europe's economy started 2013 on a weak note and because of the pale consumer and investor confidence as well as the continued adjustment measures required in the private and public sectors, domestic demand remains weak while the conditions for exports' are not exactly favourable, Draghi said. In his view, the weak year-beginning may be followed by gradual recovery. Regarding the euro's exchange rate, he has made it clear that the ECB does not have a rate target but the single currency's value has a significant impact on growth and price stability. The fact that banks earlier repay the loans taken during ECB's two big cheap loan actions (LTRO) suggests that money markets' confidence is growing, the central bank's head added. This indicates that banks have become more positive about accessing resources from the market. The ECB's president warned about the low interest rate level's dangers: one of the drawbacks is that it reduces the yields of investors, including pension funds, which could undermine financial stability in the long run; the other downside is that it lessens banks' sensitivity to risks (moral hazard).

	COUNTRY	DATE	FACT	CONSENSUS	PREVIOUS
Monday	EZ	Dec	Current account (monthly, EUR bn)	13,9	- 14,8
Tuesday	DE	Feb	ZEW economic sentiment (point)	35,0	31,5

Source: Reuters, OTP Research

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