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# Daily Report – Global markets

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	14 075	↑ 1,26	↑ 1,06
S&P500	1 516	↑ 1,27	↑ 0,27
Nasdaq100	2 741	↑ 1,04	↑ 0,05
Russell2000	910	↑ 1,10	↓ -0,39
Stoxx600	287	↑ 0,90	↓ -0,66
DAX	7 676	↑ 1,04	↓ -0,69
FTSE 100	6 326	↑ 0,88	↓ -0,83
CAC40	3 691	↑ 1,92	↓ -0,50
ATX	2 434	↑ 1,38	↑ 0,23
IBEX35	8 137	↑ 1,95	↓ -0,32
Nikkei 225	11 559	↑ 2,71	↑ 2,21
Hang Seng	22 577	↑ 0,25	↓ -3,13
SSEC	2 313	↑ 0,87	↓ -3,50
SENSEX	19 152	↑ 0,72	↓ -2,50
RTS	1 531	↓ -0,02	↓ -3,29
Bovespa	57 274	↑ 0,57	↑ 1,95

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3135	↓ -0,02	↓ -0,40
EUR/CHF	1,2217	↑ 0,06	↓ -0,49
USD/GBP	1,5160	↑ 0,02	↓ -0,61
USD/JPY	92,36	↑ 0,14	↓ -0,79
AUD/USD	1,0263	↑ 0,31	↑ 0,18
USD/CAD	1,0230	↑ 0,05	↑ 0,47

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	14,7	↓ -2,1	↑ 0,1
EMBI+ Spread	287	↑ 12	↑ 30
CDS 5Y PIIS	240	↓ -4	↑ 21
CDS 5Y Italy	237	↓ -3	↑ 42
CDS 5Y Belg.	39	↑ 0	↑ 0
iTraxx 5Y EU	117,4	↓ -4	↑ 7
US TED Spread	17,5	↓ -1	↑ 1

Source: Reuters, OTP Research

**Summary**

- Ben Bernanke's testimony quelled market fears that followed Italian elections; global markets gained around 1%.
- President Obama and Republicans are negotiating about postponing the sequester, but talks are likely to fail.
- Japan's Prime Minister nominated the supporter of aggressive monetary policy Haruhiko Kuroda to head the BoJ.

Ben Bernanke's words seem to have quelled market fears, and helped stock markets pick up nearly 1% worldwide in Wednesday's session. Markets' attention has shifted from the apparent gridlock that stemmed from Italy's election results. Nevertheless, the Italian story may resurface on a pessimistic day in the near future.

This week, there may be a new twist in the protracted history of US budget cuts. Negotiations between President Obama and the Republican-majority Congress continue, in order that the USA could avert the spending cuts that automatically kick in on 1 March. However, markets do not expect the talks to end up with agreement. Speaking at a conference, President Obama said that budget spending cuts could slash an already fragile economic growth by 0.6% (analysts expect today's fresh gauge to indicate 0.5% GDP growth).

Japan's Prime Minister Shinzo Abe nominated Haruhiko Kuroda, a follower of aggressive monetary policy, to the helm of the Bank of Japan, delivering on his election promise that stimulating the country's economic growth requires a fundamental change in monetary policy. His candidates for vice governor are Kikuo Iwata, an academic and supporter of unconventional monetary policy, and Hiroshi Nakaso, the BoJ's current official who has a thorough knowledge of the central bank. The two houses of the parliament will vote about the three candidates. The government does not hold majority in the Senate, therefore it will need votes from the opposition too.

**GOV'T BOND MARKET**

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,25	→	0	↓	-2
US 10Y	1,89	↑	1	↓	-12
JP 2Y	0,04	↑	0	↑	0
JP 10Y	0,67	↓	-2	↓	-7
GER 2Y	0,06	↓	-2	↓	-12
GER 10Y	1,45	↑	1	↓	-18

**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	0,37	↓	-1	↓	-2
US 5Y Swap	0,91	↓	-1	↓	-6
EUR 3M Euribor	0,21	→	0	↓	-1
EUR 2Y Swap	0,47	↓	0	↓	-8
EUR 5Y Swap	0,95	↓	-1	↓	-11
GB 3M Libor	0,51	→	0	↓	0
GB 2Y Swap	0,61	↓	-1	↓	-1
GB 5Y Swap	1,06	↓	0	↓	-2
JP 3M Libor	0,16	→	0	→	0
JP 2Y Swap	0,20	↓	-1	↓	-1
JP 5Y Swap	0,27	↓	0	↓	-2
CHF 3M Libor	0,02	→	0	↓	0
CHF 2Y Swap	0,08	↑	1	↓	-3
CHF 5Y Swap	0,41	↓	-1	↓	-6

**COMMODITIES**

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	111,8	↓	-0,04	↓	-1,51
Gold	1 603	↑	0,33	↑	1,70

Source: Reuters, OTP Research

The January purchases of American durable goods have contracted since December, even after adjustment for seasonal swings. The 5.2% month/month decline is worse than markets had expected (-4.4%). Pending home sales data were encouraging.

A number of business cycle indicators will be released today. Analysts expect a considerable revision in the second reading of preliminary US GDP, as December's foreign trade data, which came out after the first figure, were promising. One of the most important business cycle indicators, the Chicago purchasing managers' index is to be published today. Weekly labour market statistics will see the light of day too.

	COUNTRY	DATE		FACT	CONSENSUS	PREVIOUS
Wednesday	DE	Mar	GfK Consumer Confidence (point)	5,9	5,9	5,8
	EZ	Feb	Economic sentiment (point)	91,1	89,8	89,5
	US	Jan	Durable goods (m-o-m, %)	-5,2	-4,4	4,3
	US	Jan	Pending home sales (m-o-m, %)	4,5	1,5	-4,3
Thursday	EZ	Jan	CPI (final, %, yoy)		2,0	2,0
	US	Q4	GDP preliminary (yoy, %)		0,5	-0,1
	DE	Feb	Unemployment rate (%)		6,8	6,8
	US	weekly	Initial jobless claims (ths)		360	362
	US	weekly	Continued jobless claims (ths)		3 160	3 148
	US	Feb	Chicago PMI (points)		54,3	55,6

Source: Reuters, OTP Research

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