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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	14 447	↑ 0,35	↑ 2,26
S&P500	1 556	↑ 0,32	↑ 2,03
Nasdaq100	2 812	↑ 0,28	↑ 1,90
Russell2000	943	↑ 0,00	↑ 2,82
Stoxx600	295	↓ -0,10	↑ 2,20
DAX	7 984	↓ -0,03	↑ 3,80
FTSE 100	6 504	↑ 0,31	↑ 2,49
CAC40	3 836	↓ -0,10	↑ 3,41
ATX	2 527	↓ -0,88	↑ 2,57
IBEX35	8 554	↓ -0,85	↑ 3,74
Nikkei 225	12 315	↓ -0,28	↑ 5,40
Hang Seng	23 091	↓ 0,00	↑ 2,45
SSEC	2 311	↓ -0,35	↑ 1,64
SENSEX	19 646	↓ -0,19	↑ 4,07
RTS	1 540	↑ 0,51	↑ 2,74
Bovespa	58 545	↑ 0,19	↑ 3,62

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,2997	↓ -0,35	↓ -0,41
EUR/CHF	1,2347	↓ -0,06	↑ 0,58
USD/GBP	1,4894	↓ -0,12	↓ -1,53
USD/JPY	96,16	↓ -0,10	↑ 3,09
AUD/USD	1,0281	↑ 0,01	↑ 0,23
USD/CAD	1,0273	↑ 0,16	↑ 0,04

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	11,6	↓ -1,0	↓ -2,5
EMBI+ Spread	287	↑ 12	↑ 30
CDS 5Y PIIS	219	↓ -2	↓ -18
CDS 5Y Italy	217	↓ -1	↓ -21
CDS 5Y Belg.	37	↓ -1	↓ -1
iTraxx 5Y EU	104,0	↑ 0	↓ -12
US TED Spread	18,0	↓ -1	↓ -1

Source: Reuters, OTP Research

Summary

- Italy's downgrade and the disappointing Chinese macro data sent most of Western Europe's stock markets lower, while the advance continued in the United States.
- Germany's exports grew stronger than expected in January, but business cycle data are less encouraging elsewhere in Europe.
- The EUR/USD retreated to the 1.30 mark again.

Given that Fitch cut Italy's sovereign debt rating by one notch and maintained the negative outlook on Friday night, and China published disappointing macroeconomic statistics (on industry and retail sales) on Monday morning, Europe's equity markets started the week rather gloomily. The Milan and Madrid exchanges were under the heaviest selling pressure, but the DAX and the CAC40 also declined. The London benchmark's increase was an exception. The yields of Italian bonds rose while those of Spain stagnated on Monday.

American markets still do not seem to be interested in Europe's doubts: the Dow Jones 30 and the S&P 500 both saw their seventh day of winning streak. The former hit another all-time high, while the S&P 500 drew closer to its historic peak hit in October 2007. Russell 2000, the index of small-cap company stocks, stagnated after nine consecutive days of advance, resulting in a cumulated increase of more than 5%, in a possible sign of a decelerating rally.

Despite the strong advance US markets made yesterday, most Asian stock market indices closed lower this morning. After yesterday's gain, this morning the EUR/USD was sinking again, testing the 1.30 level. Still, all of Western Europe's benchmarks (but the DAX) opened Tuesday with slight gains.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,26	→ 0	↑ 2
US 10Y	2,07	↑ 2	↑ 20
JP 2Y	0,04	→ 0	↓ 0
JP 10Y	0,66	↑ 0	↑ 6
GER 2Y	0,07	↑ 0	↑ 3
GER 10Y	1,52	↑ 2	↑ 9

CENTRAL BANKS' RATES

	Rate (%)	6M Consensus	1Y Consensus
Fed Funds	0,25	→ 0,25	→ 0,25
ECB Rate	0,75	→ 0,75	→ 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	0,28	→ 0	↓ 0
US 2Y Swap	0,38	↑ 1	↑ 3
US 5Y Swap	1,00	↓ -1	↑ 9
EUR 3M Euribor	0,20	→ 0	↓ 0
EUR 2Y Swap	0,44	↓ -2	↓ 0
EUR 5Y Swap	0,93	↓ -3	↑ 2
GB 3M Libor	0,51	→ 0	→ 0
GB 2Y Swap	0,57	↓ 0	↑ 1
GB 5Y Swap	1,02	↑ 0	↑ 2
JP 3M Libor	0,16	→ 0	→ 0
JP 2Y Swap	0,21	↓ 0	↑ 1
JP 5Y Swap	0,28	↑ 0	↑ 2
CHF 3M Libor	0,02	→ 0	→ 0
CHF 2Y Swap	0,11	→ 0	↑ 4
CHF 5Y Swap	0,45	↑ 1	↑ 6

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	109,7	↓ -0,47	↓ -1,71
Gold	1 583	↑ 0,15	↑ 0,49

Source: Reuters, OTP Research

The surplus in Germany's trade balance slightly contracted in January. On the other hand, its exports grew by 1.4% MoM, vastly higher than the predicted 0.5% increase. Together with the sentiment indices and industrial production data, these facts suggest that Germany's economy may grow in the first quarter of 2013, after the 0.5% drop seen in the fourth quarter of 2012.

Outside Germany, macroeconomic statistics are less encouraging: France's industrial production fell strongly in January, and Britain may have been in near-stagnation too.

	COUNTRY	DATE		FACT	CONSENSUS	PREVIOUS
Monday	DE	Jan	Trade balance (bn EUR)	15,7	15,7	16,9
	FR	Jan	Industrial output (mom, %)	-1,2	0,0	-0,1
	IT	Q4	GDP (final, yoy, %)	-2,8	-2,7	-2,7
Tuesday	UK	Jan	Industrial output (mom, %)		0,1	1,1

Source: Reuters, OTP Research

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