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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	14 567	↑ 0,14	↓ -0,22
S&P500	1 563	↑ 0,47	↑ 0,65
Nasdaq100	2 810	↑ 1,06	↑ 0,45
Russell2000	915	↑ 0,25	↑ 0,84
Stoxx600	286	↑ 0,16	↓ -1,64
DAX	7 478	↑ 0,24	↓ -3,04
FTSE 100	6 281	↓ -0,09	↓ -0,99
CAC40	3 652	↑ 0,00	↓ -1,57
ATX	2 353	↑ 0,38	↓ -1,17
IBEX35	8 028	↑ 1,42	↑ 0,17
Nikkei 225	13 530	↓ -0,29	↑ 2,33
Hang Seng	22 044	↑ 0,14	↑ 1,25
SSEC	2 242	↓ -0,11	↑ 2,76
SENSEX	19 170	↑ 0,81	↑ 4,42
RTS	1 329	↓ -0,55	↓ -2,74
Bovespa	54 298	↑ 0,68	↑ 2,55

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3041	↓ -0,19	↓ -1,02
EUR/CHF	1,2197	↓ -0,06	↑ 0,37
USD/GBP	1,5264	↓ -0,18	↓ -0,63
USD/JPY	98,76	↓ -0,44	↑ 1,27
AUD/USD	1,0235	↓ -0,34	↓ -1,47
USD/CAD	1,0274	↑ 0,21	↑ 0,68

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	14,4	↓ -0,6	↓ -2,9
EMBI+ Spread	287	↑ 12	↑ 30
CDS 5Y PIIS	220	↓ -7	↓ -12
CDS 5Y Italy	213	↓ -8	↓ -8
CDS 5Y Belg.	39	↓ 0	↑ 0
iTraxx 5Y EU	110,8	↓ -2	↓ -1
US TED Spread	22,5	→ 0	↑ 1

Source: Reuters, OTP Research

Summary

- Western Europe opened the week brightly, but the disappointing US housing market data reversed the trading direction before the close; all indices but the London one managed to preserve some of the earlier gains. US markets followed a reversed pattern: after opening in the red, the key benchmarks swung into the green in the second half of the session.
- The EUR/USD moved in a narrow range but this morning the cross seems to pierce through the 1.30 line, bringing the greenback to a two-week high versus the euro.

After the optimistic opening in Asia, Western Europe's stock markets started to rise, greatly benefiting from the Italian news reporting that the political gridlock that had started at the end of February may end on Wednesday. Since the first, inconclusive round of presidential elections in Italy's parliament, the current holder of the office the 88-year-old Giorgio Napolitano agreed to renew his mandate for another seven years, on condition that parties make concessions for the benefit of successful government formation. At the same time, the left-of-centre platform's leaders resigned. These developments caused significant optimism in the eurozone's periphery, and the Athens, the Madrid and the Milan stock indices saw the strongest gains within the eurozone; Italy's and Spain's ten-year government bonds declined by 16 and 12 basis points respectively, to lows last seen in November 2010.

The worse-than-expected US housing market data caused pessimism, but the DAX succeeded in preserving 0.2% of its earlier gains. Daimler was Frankfurt's strong performer, benefiting from news that it may found a plant in Romania. After losing 2% on Friday, Commerzbank plunged 4.5% as its management issued another profit warning. Lufthansa's judgment was not impaired by Monday's strike.

Major American benchmarks opened with losses but successfully reversed the direction in the second half of the session, and ultimately all important stock indices extended Friday's gains.

The EUR/USD moved in a narrow range, and this morning the pair seems to break below the 1.30 level, despite the strong opening in Western Europe. In Asia, no clear direction was seen this morning.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,23	↓ -1	↑ 0
US 10Y	1,70	↓ -1	↑ 1
JP 2Y	0,13	↓ 0	↓ -1
JP 10Y	0,61	↑ 3	↓ -5
GER 2Y	0,02	↑ 0	↑ 0
GER 10Y	1,26	↑ 2	↑ 1

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	0,34	↑ 0	↓ -2
US 5Y Swap	0,83	↓ -1	↓ -1
EUR 3M Euribor	0,21	→ 0	↓ 0
EUR 2Y Swap	0,39	↓ -1	↓ -4
EUR 5Y Swap	0,75	↓ -4	↓ -6
GB 3M Libor	0,50	→ 0	↓ 0
GB 2Y Swap	0,55	↑ 1	↓ -2
GB 5Y Swap	0,90	↓ 0	↓ -5
JP 3M Libor	0,16	→ 0	→ 0
JP 2Y Swap	0,25	↑ 1	↓ -2
JP 5Y Swap	0,36	↓ 0	↓ -5
CHF 3M Libor	0,02	→ 0	→ 0
CHF 2Y Swap	0,05	↓ -1	↓ -1
CHF 5Y Swap	0,36	↑ 1	↓ -3

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	99,8	↓ -0,57	↓ -0,09
Gold	1 423	↓ -0,13	↑ 4,06

Source: Reuters, OTP Research

The March reading of existing home sales missed expectations, and the February figure was revised down. The reading of 4.92 million means that existing home sales practically could not rebound since last autumn. However, the number of building permits and housing starts grew permanently. Statistics on new home sales in March will be released today.

A number of countries will publish preliminary manufacturing PMIs (purchasing managers' indices). HSBC's early morning publication on China, a gauge more accepted than the official figure, indicates a deterioration in the assessment of the sector's opportunities. In Western Europe, Markit's index for the eurozone and Germany is likely to be positive while the confidence indicator for the USA may decline, similarly to that of China. It is worthy of note that despite the actual data and the expected figure on deterioration, the indices forecast an upswing in China's and the USA's manufacturing activity. On the other hand, the figures suggests that manufacturing contracted in Western Europe.

	COUNTRY	DATE		FACT	CONSENSUS	PREVIOUS
Monday	EZ	Apr	Consumer confidence index (point)	-22	-23,9	-23,5
	US	Mar	Existing home sales (ann, mln)	4,92	5,02	4,95
Tuesday	EZ	Apr	Markit manufacturing PMI (flash, point)		46,8	46,8
	DE	Apr	Markit manufacturing PMI (flash, point)		49,00	49,00
	CN	Apr	HSBC manufacturing PMI (flash, point)	50,5	-	51,6
	US	Apr	Markit manufacturing PMI (flash, point)		54,0	54,6
	US	Mar	New home sales (ann, ths)		420	411

Source: Reuters, OTP Research

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