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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	14 713	↑ 0,08	↑ 1,13
S&P500	1 582	↑ 0,20	↑ 1,74
Nasdaq100	2 841	↓ -0,28	↑ 2,16
Russell2000	935	↓ -0,53	↑ 2,49
Stoxx600	296	↓ -0,33	↑ 3,74
DAX	7 815	↓ -0,23	↑ 4,76
FTSE 100	6 426	↓ -0,25	↑ 2,22
CAC40	3 810	↓ -0,79	↑ 4,33
ATX	2 405	↓ -1,36	↑ 2,61
IBEX35	8 297	↓ -0,81	↑ 4,82
Nikkei 225	13 884	→ 0,00	↑ 2,33
Hang Seng	22 548	↑ 0,65	↑ 2,43
SSEC	2 178	↓ -0,97	↓ -2,97
SENSEX	19 287	↓ -0,62	↑ 1,42
RTS	1 382	↓ -0,41	↑ 3,42
Bovespa	54 252	↓ -1,29	↑ 0,60

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3045	↑ 0,15	↓ -0,16
EUR/CHF	1,2286	↑ 0,06	↑ 0,67
USD/GBP	1,5511	↑ 0,21	↑ 1,43
USD/JPY	97,64	↓ -0,40	↓ -1,57
AUD/USD	1,0307	↑ 0,28	↑ 0,36
USD/CAD	1,0158	↓ -0,08	↓ -0,92

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,6	↓ -0,5	↓ -1,4
EMBI+ Spread	287	↑ 12	↑ 30
CDS 5Y PIIS	216	↑ 0	↓ -11
CDS 5Y Italy	216	↑ 2	↓ -4
CDS 5Y Belg.	39	↑ 1	↑ 0
iTraxx 5Y EU	105,0	↓ 0	↓ -8
US TED Spread	22,3	→ 0	↓ 0

Source: Reuters, OTP Research

Summary

- Friday's pessimistic sentiment on European markets sent the indices 0.2-0.8% into the red.
- American benchmarks made up for most of their initial losses, ending near Thursday's closing price.
- US economy expanded by 2.5% (annualized QoQ) in Q1, falling short of analysts' consensus.

The last trading day of the week started rather gloomily in Europe's stock markets. The weaker-than-expected US GDP data, as well as the disappointing University of Michigan consumer confidence index exacerbated the trading sentiment. Of Europe's key benchmarks, the CAC40 saw the steepest fall as the French index fell nearly 1%. The Footsie eased 0.3%, and the DAX shed 0.2%. Across Europe, the financial sector's stocks had the weakest performance.

On Friday night, Moody's confirmed its "Baa2" rating, a weak investment status, for Italy's long-term sovereign bond obligations, maintaining the negative outlook. Moody's has considerably worsened its forecast on Italian economy, as the company's analysts modified their forecast on the economy's 2013 recession from former predictions of 1.0% to 1.8% contraction, and they do not expect more than 0.2% GDP growth in 2014.

On Sunday afternoon, Italy's new government led by Enrico Letta was sworn in before President Giorgio Napolitano, who had appointed the left-of-the-centre Christian Democrat MP Enrico Letta on Wednesday to form a government, and the politician officially accepted the request on Saturday.

American indices started Friday's trading with decline, on the back of weaker-than-expected macroeconomic data and gloomy trading sentiment in Europe. But benchmarks managed to erase most of the earlier losses, and ended trading near the levels seen at Thursday's close. Of the S&P sector indices, only the public utilities sub-index could end in the green (+0.15%), and commodities saw the steepest fall (-1.42%).

China's and Japan's stock markets were closed today. Other Asian markets left the first trading day of the week with mixed results.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,22	↓ -2	↓ -2
US 10Y	1,67	↓ -5	↓ -4
JP 2Y	0,13	→ 0	→ 0
JP 10Y	0,59	→ 0	↑ 1
GER 2Y	0,00	↓ -1	↓ -2
GER 10Y	1,22	↓ -2	↓ -2

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	0,33	↓ -1	↓ 0
US 5Y Swap	0,82	↓ -1	↓ -2
EUR 3M Euribor	0,21	↑ 0	↓ 0
EUR 2Y Swap	0,37	↓ -1	↓ -3
EUR 5Y Swap	0,74	↓ 0	↓ -5
GB 3M Libor	0,50	→ 0	→ 0
GB 2Y Swap	0,56	→ 0	↑ 1
GB 5Y Swap	0,89	→ 0	↑ 2
JP 3M Libor	0,16	→ 0	→ 0
JP 2Y Swap	0,25	→ 0	↑ 1
JP 5Y Swap	0,38	→ 0	↑ 2
CHF 3M Libor	0,02	→ 0	→ 0
CHF 2Y Swap	0,04	↑ 0	↓ -1
CHF 5Y Swap	0,35	↑ 1	↓ -1

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	102,6	↓ -0,57	↑ 2,17
Gold	1 469	↑ 0,44	↑ 3,07

Source: Reuters, OTP Research

In the first quarter of 2013, US economy grew by 2.5% (annualized quarterly figure), which is 0.3-0.7 percentage points less than analysts had expected. Consumption remained the engine of growth, the Department of Commerce's data revealed. In the first quarter of 2013, households could not yet feel the adverse effects of the new budgetary measures (tax hikes), thus consumption grew by a more-than-two-year high of 3.2% (annualized quarterly figure). Inventory data also supported growth. Within a single quarter, inventories swelled by USD 50.3 billion, but this growth is unlikely to last. Government spending shrank by 4.1% in the first quarter, and imports expanded by 5.4%, both dragging down growth.

According to the University of Michigan's survey, American consumers became more pessimistic in April than a month earlier. The headline index fell to 76.4 points, from 78.6, while the preliminary reading stood at 72.3.

The USA will publish property market statistics today.

	COUNTRY	DATE		FACT	CONSENSUS	PREVIOUS
Friday	DE	Mar	Import prices (mom, %)	-0,1	-0,2	0,3
	US	Q1	GDP (advanced, qoq, %)	2,5	3,0	0,4
	US	Apr	University of Michigan consumer sentiment (final, point)	76,4	73,2	72,3
Monday	EZ	Apr	EU economic sentiment (point)		89,3	90,0
	DE	Apr	CPI (prelim., mom, %)		-0,2	0,5
	US	Mar	Personal income (mom, %)		0,3	1,1
	US	Mar	Pending home sales (mom, %)		1,0	-0,4
	JP	Mar	Unemployment rate (%)		4,3	4,3

Source: Reuters, OTP Research

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