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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	14 701	↓ -0,94	↑ 0,17
S&P500	1 583	↓ -0,93	↑ 0,25
Nasdaq100	2 873	↓ -0,49	↑ 1,38
Russell2000	924	↓ -2,45	↓ -1,06
Stoxx600	297	↑ 0,07	↑ 0,78
DAX	7 914	→ 0,00	↑ 1,99
FTSE 100	6 451	↑ 0,33	↑ 0,30
CAC40	3 857	→ 0,00	↑ 0,36
ATX	2 414	→ 0,00	↑ 0,05
IBEX35	8 419	→ 0,00	↑ 0,35
Nikkei 225	13 694	↓ -0,76	↓ -1,67
Hang Seng	22 737	→ 0,00	↑ 2,50
SSEC	2 178	→ 0,00	↓ -1,82
SENSEX	19 504	→ 0,00	↑ 1,69
RTS	1 407	→ 0,00	↑ 2,31
Bovespa	55 910	→ 0,00	↑ 1,68

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3170	↓ -0,05	↑ 1,21
EUR/CHF	1,2225	↑ 0,04	↓ -0,52
USD/GBP	1,5546	↓ -0,04	↑ 0,74
USD/JPY	97,26	↓ -0,12	↓ -2,01
AUD/USD	1,0234	↓ -0,41	↓ -0,52
USD/CAD	1,0077	↓ -0,06	↓ -1,17

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	14,5	↑ 1,0	↑ 0,9
EMBI+ Spread	287	↑ 12	↑ 30
CDS 5Y PIIS	207	↑ 1	↓ -5
CDS 5Y Italy	209	↑ 3	↑ 3
CDS 5Y Belg.	38	↓ 0	↓ -1
iTraxx 5Y EU	100,0	↑ 2	↓ -6
US TED Spread	21,6	↓ 0	↓ -1

Source: Reuters, OTP Research

Summary

- European markets were closed yesterday. US markets sank into the red.
- The intensifying pessimism in the US stems from poor corporate reports and disappointing macroeconomic statistics.
- Today's meeting of the European Central Bank's decision makers is likely to cut the base rate, for the first time in ten months.
- The Milan Stock Exchange added 2.2% and the 10Y Italian bond yield sank to 3.9% on Monday.

Yesterday most European stock markets were closed for May Day but American markets were open. All major US stock indices closed in the red, with the Russell2000, the index of small cap companies, seeing the greatest fall. Back on Tuesday, the S&P500 index hit daily and all-time highs, but the disappointing macroeconomic data dragged stock prices down on the following day. The ADP institute's employment survey showed that the private sector added merely 119,000 new jobs, falling short of analysts' expectations. The ISM institute's manufacturing purchasing managers' index signified a modest increase in the manufacturing industry in April.

The unfavourable corporate news weighed on stock prices too. MasterCard's and Merck's earnings figures were worse than analysts had predicted. On the other hand, Facebook's first-quarter revenue beat expectations, allowing its stock price advance in after-hours trading.

Today's meeting of the European Central Bank is likely to reduce its benchmark rate but survey show that it is far from being certain. This would be the first rate cut in ten months. The disappointing data on real economy and the sharply falling inflation could motivate an interest rate cut. A few weeks ago, ECB President Draghi said the ECB was prepared to act if the economic outlook worsened.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,20	↓ -1	↓ -3
US 10Y	1,63	↓ -4	↓ -7
JP 2Y	0,12	↓ -1	↓ 0
JP 10Y	0,59	↓ -2	↓ -2
GER 2Y	0,00	⇒ 0	↓ -2
GER 10Y	1,21	⇒ 0	↓ -5

CENTRAL BANKS' RATES

	Rate (%)	6M Consensus	1Y Consensus
Fed Funds	0,25	⇒ 0,25	⇒ 0,25
ECB Rate	0,75	↓ 0,50	↓ 0,50
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	0,27	⇒ 0	↓ 0
US 2Y Swap	0,33	↑ 1	↓ -2
US 5Y Swap	0,79	↓ -1	↓ -5
EUR 3M Euribor	0,21	⇒ 0	↑ 0
EUR 2Y Swap	0,37	↑ 0	↓ -2
EUR 5Y Swap	0,73	↑ 0	↓ -2
GB 3M Libor	0,51	↑ 0	↑ 0
GB 2Y Swap	0,57	↓ -1	↓ -1
GB 5Y Swap	0,89	↓ -2	↓ -1
JP 3M Libor	0,16	⇒ 0	⇒ 0
JP 2Y Swap	0,24	↓ -1	↓ -1
JP 5Y Swap	0,36	↓ -2	↓ -1
CHF 3M Libor	0,02	⇒ 0	⇒ 0
CHF 2Y Swap	0,07	↑ 1	↑ 1
CHF 5Y Swap	0,35	↑ 1	↓ -1

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	99,9	↓ -0,05	↓ -3,39
Gold	1 454	↓ -0,19	↓ -0,89

Source: Reuters, OTP Research

Apart from the ECB's rate decision, no market-moving data are expected to be released today.

	COUNTRY	DATE		FACT	CONSENSUS	PREVIOUS
Wednesday	US	Mar	ADP employment report (ths)	119	158	131
	US	Mar	Construction output (mom, %)	-1,7	0,7	1,2
	US	Apr	ISM manufacturing PMI (pont)	50,7	50,9	51,3
Thursday	EZ	May	ECB refinancing rate (%)		0,50	0,75
	US	weekly	Initial jobless claims (ths)		345	339
	US	weekly	Continued jobless claims (ths)		3 028	3 000

Source: Reuters, OTP Research

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