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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	15 335	↓ -0,12	↑ 1,61
S&P500	1 666	↓ -0,07	↑ 1,99
Nasdaq100	3 021	↓ -0,26	↑ 1,30
Russell2000	998	↑ 0,17	↑ 2,48
Stoxx600	310	↑ 0,34	↑ 1,74
DAX	8 456	↑ 0,69	↑ 2,13
FTSE 100	6 756	↑ 0,48	↑ 1,87
CAC40	4 023	↑ 0,54	↑ 1,97
ATX	2 500	→ 0,00	↑ 2,15
IBEX35	8 515	↓ -0,78	↑ 0,68
Nikkei 225	15 381	↑ 0,13	↑ 4,22
Hang Seng	23 493	↑ 1,78	↑ 2,19
SSEC	2 300	↑ 0,75	↑ 2,59
SENSEX	20 224	↓ -0,31	↑ 2,70
RTS	1 417	↑ 0,83	↓ -0,37
Bovespa	55 701	↑ 0,97	↑ 2,30

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,2896	↑ 0,11	↓ -0,17
EUR/CHF	1,2478	↑ 0,17	↓ -0,10
USD/GBP	1,5253	↓ -0,01	↑ 0,28
USD/JPY	102,52	↑ 0,25	↑ 0,17
AUD/USD	0,9826	↑ 0,20	↓ -0,63
USD/CAD	1,0248	↑ 0,08	↑ 0,68

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,0	↑ 0,6	↑ 0,5
EMBI+ Spread	287	↑ 12	↑ 30
CDS 5Y PIIS	174	↓ -11	↓ -20
CDS 5Y Italy	181	↓ -9	↓ -13
CDS 5Y Belg.	36	↑ 0	↓ -1
iTraxx 5Y EU	90,1	↓ -1	↓ -7
US TED Spread	22,8	↓ -1	↑ 0

Source: Reuters, OTP Research

Summary

- The major stock markets continued their winning streak on Monday, but the US trading sentiment soured by the end of Friday's session.
- The University of Michigan's consumer sentiment index hit a high last seen in July 2007.

Western Europe's key stock market indices extended Friday's gains on Monday. The London benchmark closed at a level last seen in September 2000, chiefly driven by the strong performance of the financial sector and airline companies. Of the latter group, EasyJet soared 4%, while Ryanair's shares rallied nearly 10%, recognizing the earnings report published on Monday. In spite of the favourable mood, the Madrid and Milan stock markets headed down.

In the USA, Monday's trading started well after Friday's record breaking (the S&P500 and the Nasdaq100 both climbed into uncharted territories), but the indices suffered slight losses by the end of the day. Russell, the benchmark of 2,000 small cap companies, exceeded the 1,000-point line for the first time in its history and, unlike its bigger peers, it managed to preserve some of its gains by the end of the day. Yahoo's stocks upped by more than 1% on the back of news to purchase the Tumblr micro blog service provider, even though analysts find the USD 1.1 billion purchase price not exactly justifiable.

After Friday afternoon's six-week low of less than 1.28, the EUR/USD has been rising slowly but steadily, to arrive near 1.29 this morning. The Swiss franc also retreated vis-à-vis the common European currency in the recent days.

This morning, Asian trading was somewhat more cautious and Western Europe's indices opened mostly in the red.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,24	↓	0	↑	1
US 10Y	1,96	↑	0	↑	4
JP 2Y	0,13	↑	0	↑	1
JP 10Y	0,86	↑	5	↑	8
GER 2Y	-0,02	↓	-2	↓	-7
GER 10Y	1,36	↑	2	↓	-3

CENTRAL BANKS' RATES

	Rate (%)		6M Consensus		1Y Consensus
Fed Funds	0,25	→	0,25	→	0,25
ECB Rate	0,50	→	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	0,35	↓	-3	↓	-3
US 5Y Swap	0,96	↓	-2	↓	-2
EUR 3M Euribor	0,20	↓	0	↓	0
EUR 2Y Swap	0,36	↑	1	↓	-4
EUR 5Y Swap	0,79	↑	1	↓	-4
GB 3M Libor	0,51	→	0	→	0
GB 2Y Swap	0,61	↓	0	→	0
GB 5Y Swap	1,05	↑	1	↑	1
JP 3M Libor	0,16	→	0	→	0
JP 2Y Swap	0,27	↓	0	→	0
JP 5Y Swap	0,55	↑	1	↑	1
CHF 3M Libor	0,02	→	0	↓	0
CHF 2Y Swap	0,07	↓	0	↓	-3
CHF 5Y Swap	0,39	↑	1	→	0

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	105,0	↑	0,14	↑	2,29
Gold	1 397	↑	0,21	↓	-2,03

Source: Reuters, OTP Research

The University of Michigan's consumer sentiment index jumped to a higher-than-anticipated 83.7 points in May. This is the highest reading since July 2007 and indicates that the two waves of fiscal adjustment (tax hikes from January, spending cuts from March) disheartened US households only temporarily. The stock market, which hit all-time highs after the Fed's money-making, must have played a key role in that.

Today's data releases include the April reading of Britain's consumer price index. The price pressure is expected to ease further, which is an important factor from the aspect of another monetary easing, likely to start some time after July 2013.

	COUNTRY	DATE		FACT	CONSENSUS	PREVIOUS
Friday	US	May	University of Michigan sentiment (point)	83,7	77,9	76,4
Tuesday	UK	Apr	CPI (yoy, %)		2,6	2,8
	DE	Apr	PPI (yoy, %)	0,1	0,2	0,4
	JP	Apr	Export (yoy, %)		5,9	1,1

Source: Reuters, OTP Research

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