

Treasury Sales Team

Alina Elena Vrabioiu

+4021 307 58 17
alina.vrabioiu@otpbank.ro

Irina Ananiese

+4021 307 58 17
irina.ananiese@otpbank.ro

Tania Fantana

+4021 307 58 17
tania.fantana@otpbank.ro

Chief Economist

Gergely Tardos

+36 1 374 7273
tardosg@otpbank.hu

FX/FI Strategist

Levente Pápa

+36 1 354 7490
papal@otpbank.hu



Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	15 248	↑ 1,38	↑ 0,88
S&P500	1 643	↑ 1,28	↑ 0,78
Nasdaq100	2 991	↑ 1,37	↑ 0,30
Russell2000	988	↑ 0,83	↑ 0,35
Stoxx600	295	↑ 1,27	↓ -1,82
DAX	8 255	↑ 1,92	↓ -1,13
FTSE 100	6 412	↑ 1,20	↓ -2,60
CAC40	3 873	↑ 1,53	↓ -1,92
ATX	2 409	↑ 2,04	↓ -0,32
IBEX35	8 267	↑ 0,61	↓ -0,65
Nikkei 225	13 514	↑ 4,94	↑ 1,90
Hang Seng	21 575	↓ -1,21	↓ -3,65
SSEC	2 211	↓ -1,39	↓ -3,90
SENSEX	19 429	↓ -0,46	↓ -1,68
RTS	1 314	↑ 2,14	↓ -1,28
Bovespa	51 619	↓ -2,39	↓ -3,53

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3198	↓ -0,18	↑ 0,94
EUR/CHF	1,2371	↑ 0,02	↓ -0,13
USD/GBP	1,5525	↓ -0,21	↑ 1,34
USD/JPY	98,37	↑ 0,86	↓ -1,15
AUD/USD	0,9426	↓ -0,67	↓ -3,53
USD/CAD	1,0198	↑ 0,04	↓ -0,76

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	15,1	↓ -1,5	↓ -1,2
EMBI+ Spread	287	↑ 12	↑ 30
CDS 5Y PIIS	211	↑ 10	↑ 14
CDS 5Y Italy	220	↑ 7	↑ 10
CDS 5Y Belg.	36	↑ 1	↑ 1
iTraxx 5Y EU	104,0	↓ -9	↑ 1
US TED Spread	23,0	⇒ 0	↓ -1

Source: Reuters, OTP Research

- In Friday's optimistic trading, Europe's key benchmarks upped by 1.2-1.9%, while their American peers closed 1.3-1.4% higher.
- Optimism prevailed in this morning's Asian trading, all of the major indices closed in the green.
- The US economy added 175,000 new jobs in May, more than the forecast 163,000 figure, while unemployment grew from 7.5% to 7.6%.

The mid-week gloominess on Europe's advanced markets caused losses to the major indices in Wednesday's and Thursday's sessions. But Friday's trading started brightly on European markets and the enthusiasm persisted until market close, enabling the key indices to close with gains. Seeing the mixed bag of American labour market data (higher employment coupled with rising jobless rate), investors concluded that the Federal Reserve may leave its asset purchase programme in place for a longer time. The Frankfurt index rose by 2%, France's CAC40 added 1.5%, whereas Footsie picked up 1.2%. The financial sector was a strong performer across Europe: Deutsche Bank surged 3.5%, Commerzbank climbed 1.9% higher, Credit Agricole increased by 2.9%, and Societe Generale rose by 1.8%. Insurance companies had a good day too: Allianz jumped 3.3% higher, Swiss RE rallied 3.5%, and AXA grew by 4.2%.

After Wednesday's downhill ride, the key American markets closed in the positive territory on Thursday. Despite the miscellany of labour market data, most US benchmarks opened with an upswing on the last trading day of the week. The buoyancy persisted until the end of session, and the key indices closed the day 1.2-1.3% higher. All of the S&P's sector indices closed in the positive territory. Rising 1.9% made the industrial sub-index the strongest performer. The cyclical goods sub-index (+1.8%) and the financial sector (+1.7%) also made nice gains.

In this morning's Asian trading, all of the key indices have firmed. The Nikkei jumped 5% as the revised data pointed to stronger-than-expected GDP growth and on Sunday the country's PM outlined plans of drastic tax reduction for businesses. The Australian and Chinese stock markets were closed for holiday today.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,31	↑	2	↑	1
US 10Y	2,18	↑	10	↑	2
JP 2Y	0,13	↑	0	↓	-2
JP 10Y	0,85	↑	2	↓	-2
GER 2Y	0,14	↑	3	↑	6
GER 10Y	1,52	↑	0	↑	2

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	0,28	↑	0	↓	0
US 2Y Swap	0,45	↓	-1	↑	1
US 5Y Swap	1,25	↓	0	↑	6
EUR 3M Euribor	0,20	↑	0	↑	0
EUR 2Y Swap	0,53	↑	0	↑	6
EUR 5Y Swap	1,07	⇒	0	↑	10
GB 3M Libor	0,51	↓	0	↑	0
GB 2Y Swap	0,72	↓	-1	↓	0
GB 5Y Swap	1,24	↓	-1	↓	-1
JP 3M Libor	0,15	⇒	0	⇒	0
JP 2Y Swap	0,25	↓	-1	↓	0
JP 5Y Swap	0,46	↓	-1	↓	-1
CHF 3M Libor	0,02	⇒	0	⇒	0
CHF 2Y Swap	0,13	↓	0	↑	1
CHF 5Y Swap	0,53	↑	0	↑	4

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	104,5	↓	-0,06	↑	2,39
Gold	1 381	↓	-0,23	↓	-2,15

Source: Reuters, OTP Research

Thursday policy meeting of the ECB's governors kept the benchmark rate on hold, in line with expectations. The ECB's analysts revised down their 2013 growth forecast. Currently they expect 0.6% contraction as opposed to 0.1-0.9% seen in March. In the second half of this year, the economy's performance may improve and it is likely to resume growth in 2014. Inflation forecasts have changed marginally since March: the ECB's economists foresee 1.4% and 1.3% CPI growth in 2013 and 2014 respectively in the eurozone, but the highly volatile energy and food prices may bring about some intra-year divergences. In answer to a question, Mario Draghi revealed that there had been a heated discussion among central bankers on Thursday's meeting, in relation to extraordinary measures (ABSs, LTROs). The debate touched upon the idea of introducing negative deposit rates, but the majority of members did not find it justified at this point, even if the technical conditions were met, the governor added.

The US economy added 175,000 new jobs in May, more than the anticipated 163,000 figure. On the other hand, unemployment inched up from 7.5% to 7.6% (probably a result of an uptick in the number of jobseekers). The previous two months' readings were slightly revised: the April figure was slightly cut (from 165,000 to 149,000), while the March gauge was raised (from 138,000 to 142,000). The detailed data confirm the findings of Wednesday's ADP report. The service sector's job creation capacity remains strong while other sectors created relatively fewer jobs – in some fields, employment has not grown at all.

	COUNTRY	DATE		FACT	CONSENSUS	PREVIOUS
Wednesday	DE	May	Markit Composite PMI (point)	50,2	-	49,9
	EZ	May	Markit Composite PMI (point)	47,7	47,7	47,7
	EZ	Q1	GDP (revised, y-o-y, %)	-1,1	-1,0	-1,0
	EZ	Apr	Retail sales (y-o-y, %)	-1,1	-0,8	-2,4
	US	May	ADP Employment Report ('000)	135	165	119
Thursday	US	Apr	Durable goods (m-o-m, %)	3,5	-	3,3
	US	Apr	Factory orders (m-o-m, %)	1,0	1,5	-4,9
	US	May	ISM Non-Manufacturing PMI (point)	53,7	53,5	53,1
	DE	Apr	Industrial orders (mom, %)	-2,3	-1,0	2,2
	GB		BOE bank rate decision (%)	0,5	0,5	0,5
Friday	EZ		ECB refinancing rate	0,5	0,5	0,5
	DE	Apr	Industrial output (mom, %)	1,8	0	1
	DE	Apr	Trade balance (billion euro)	17,7	17,2	17,6
	US	May	Non-farm payroll ('000)		170	165
	US	May	Unemployment rate (%)	7,6	7,5	7,5
Monday	CH	May	Unemployment rate (%)			3,1
	CH	Apr	Retail sales (y-o-y, %)			-0,9

Source: Reuters, OTP Research

Chief Economist
Gergely Tardos
tardosg@otpbank.hu
+36 1 374 7273

FX/FI Strategist
Levente Pápa
papal@otpbank.hu
+36 1 354 7490

Fundamental Analyst
Piroska Beáta Szabó
szabopb@otpbank.hu
+36 1 374 7276

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