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# Daily Report – Global markets

**STOCK EXCHANGE**

|             | Close  | Daily chg. (%) | Weekly chg. (%) |
|-------------|--------|----------------|-----------------|
| DJIA        | 15 549 | ↑ 0,50         | ↑ 0,57          |
| S&P500      | 1 689  | ↑ 0,50         | ↑ 0,86          |
| Nasdaq100   | 3 078  | ↓ -0,24        | ↑ 0,60          |
| Russell2000 | 1 050  | ↑ 0,74         | ↑ 1,65          |
| Stoxx600    | 300    | ↑ 0,92         | ↑ 1,09          |
| DAX         | 8 337  | ↑ 1,00         | ↑ 2,19          |
| FTSE 100    | 6 634  | ↑ 0,95         | ↑ 1,39          |
| CAC40       | 3 928  | ↑ 1,44         | ↑ 1,52          |
| ATX         | 2 326  | ↑ 0,95         | ↑ 1,96          |
| IBEX35      | 7 957  | ↑ 1,85         | ↓ -0,91         |
| Nikkei 225  | 14 590 | ↓ -1,48        | ↑ 0,58          |
| Hang Seng   | 21 345 | ↓ -0,12        | ↓ -0,43         |
| SSEC        | 2 023  | ↓ -1,05        | ↓ -2,39         |
| SENSEX      | 20 128 | ↑ 0,90         | ↑ 2,30          |
| RTS         | 1 377  | ↓ -1,13        | ↑ 4,13          |
| Bovespa     | 47 657 | ↑ 0,53         | ↑ 2,21          |

**FX MARKET**

|         | Close  | Daily chg. (%) | Weekly chg. (%) |
|---------|--------|----------------|-----------------|
| EUR/USD | 1,3132 | ↑ 0,18         | ↑ 0,51          |
| EUR/CHF | 1,2370 | ↓ -0,10        | ↑ 0,03          |
| USD/GBP | 1,5221 | ↓ -0,05        | ↑ 0,77          |
| USD/JPY | 100,13 | ↓ -0,27        | ↑ 0,93          |
| AUD/USD | 0,9171 | ↑ 0,08         | ↑ 1,38          |
| USD/CAD | 1,0372 | ↓ -0,02        | ↓ -0,19         |

**RISK INDICATORS**

|               | Close | Daily chg (bp) | Weekly chg (bp) |
|---------------|-------|----------------|-----------------|
| VIX           | 13,8  | ↓ 0,0          | ↓ -0,2          |
| EMBI+ Spread  | 287   | ↑ 12           | ↑ 30            |
| CDS 5Y PIIS   | 258   | ↓ -5           | ↑ 8             |
| CDS 5Y Italy  | 228   | ↓ -4           | ↑ 5             |
| CDS 5Y Belg.  | 39    | ↓ -1           | ↓ -3            |
| iTraxx 5Y EU  | 103,6 | ↓ -3           | ↓ -2            |
| US TED Spread | 23,9  | ↑ 0            | ↑ 1             |

Source: Reuters, OTP Research

**Summary**

- The optimism on developed markets persisted, the Dow Jones hit a record high.
- Yesterday the Fed's chairman testified before the Senate about the future of monetary policy, further cooling anticipations concerning the tapering of QE3.
- Favourable macroeconomic data were released in the USA.

The Wednesday night speech of Fed chairman Ben Bernanke provided sufficient ammo for buyers in Western Europe and in the USA. In another factor to help the buoyant mood, the Fed chairman's next, semi-annual hearing on Thursday continued to reassure markets about the pace of tapering QE3. The better-than-expected weekly labour market data and the Philadelphia Fed manufacturing index's hitting two-year high, as opposed to the expected decline, further boosted the upbeat sentiment.

As a result, the Dow Jones industrial average index surged to record high, and the index of small cap stocks, Russell 2000 also grew robustly, hitting an unprecedented high. While the Dow's and the S&P's gains were fuelled by the demand for financial shares, the Nasdaq 100 was dragged into the red by chip maker Intel, whose stocks fell about 4% after its management projected that sales may fall back by the third quarter.

The EUR/USD was hovering below 1.31, the cross moved sideways, rather than following a specific direction in the recent days. Both the Brent and the WTI drew near USD 110. Back at the beginning of June, the American standard crude oil price stood near USD 90.

**GOV'T BOND MARKET**

|         | Yield (%) | Daily chg (bp) | Weekly chg (bp) |
|---------|-----------|----------------|-----------------|
| US 2Y   | 0,31      | ↑ 0            | ↓ -2            |
| US 10Y  | 2,53      | ↑ 5            | ↓ -4            |
| JP 2Y   | 0,13      | ↓ 0            | ↓ 0             |
| JP 10Y  | 0,81      | ↓ -1           | ↓ -3            |
| GER 2Y  | 0,09      | ↑ 0            | ↑ 1             |
| GER 10Y | 1,54      | ↓ -1           | ↓ -7            |

**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     | 0,46     | ↑ 0            | ↓ -4            |
| US 5Y Swap     | 1,47     | ↓ -1           | ↓ -11           |
| EUR 3M Euribor | 0,22     | ⇒ 0            | ↑ 0             |
| EUR 2Y Swap    | 0,47     | ↑ 0            | ↓ -5            |
| EUR 5Y Swap    | 1,02     | ↓ -2           | ↓ -6            |
| GB 3M Libor    | 0,51     | ↓ 0            | ↑ 0             |
| GB 2Y Swap     | 0,67     | ↓ -1           | ↓ -1            |
| GB 5Y Swap     | 1,29     | ↓ -1           | ↓ -1            |
| JP 3M Libor    | 0,16     | ↑ 0            | ↑ 0             |
| JP 2Y Swap     | 0,26     | ↓ -1           | ↓ -1            |
| JP 5Y Swap     | 0,45     | ↓ -1           | ↓ -1            |
| CHF 3M Libor   | 0,02     | ⇒ 0            | ↑ 0             |
| CHF 2Y Swap    | 0,15     | ⇒ 0            | ↑ 0             |
| CHF 5Y Swap    | 0,66     | ⇒ 0            | ↓ -4            |

**COMMODITIES**

|           | Close | Daily chg. (%) | Weekly chg. (%) |
|-----------|-------|----------------|-----------------|
| Oil Brent | 108,8 | ↑ 0,06         | ↓ -0,05         |
| Gold      | 1 290 | ↑ 0,46         | ↑ 0,48          |

Source: Reuters, OTP Research

Initial jobless claims in the USA were less than estimated. In contrast, the continued jobless figure substantively exceeded expectations and the previous week's figure was also revised upwards (the continued jobless number is out one week later than initial jobless claims gauge; both statistics are released weekly). Yet the nearly 3,000,000 unemployment number seen in the recent weeks is not unfavourable in historical comparison.

Instead of the expected decline, the Philadelphia Fed manufacturing index jumped high. In contrast, the Leading Indicators (composite statistics generated by aggregating a number of indices) stagnated in month-on-month comparison, instead of the expected marked increase – though it refers to the situation seen a month ago.

Retail sales in Britain grew as expected, by 0.2% in June (MoM). The gauge increased by +2.1% in the previous month, but the sector's growth is merely 0.3% in QoQ terms, after the +1.2% rise in the first quarter. This bodes ill for the Q2 GDP figure, scheduled to be out in the second half of next week.

|          | COUNTRY | DATE   | INDICATOR                         | FACT  | CONSENSUS | PREVIOUS |
|----------|---------|--------|-----------------------------------|-------|-----------|----------|
| Thursday | GB      | Jun    | Retail sales (yoy, %)             | 2,2   | 1,7       | 1,9      |
|          | US      | weekly | Initial jobless claims ('000)     | 334   | 345       | 358      |
|          | US      | weekly | Continued jobless claims          | 3 114 | 2 959     | 3 023    |
|          | US      | Jul    | Philly Fed business index (point) | 20    | 7,8       | 12,5     |
|          | US      | Jun    | Leading indicator index (mom, %)  | 0,0   | 0,3       | 0,2      |
| Friday   |         |        | no data                           |       |           |          |

Source: Reuters, OTP Research

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