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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	15 546	↑ 0,01	↑ 0,40
S&P500	1 696	↑ 0,20	↑ 0,77
Nasdaq100	3 055	↑ 0,34	↓ -0,80
Russell2000	1 053	↑ 0,28	↑ 0,97
Stoxx600	300	↑ 0,15	↑ 0,98
DAX	8 331	↓ -0,01	↑ 1,17
FTSE 100	6 623	↓ -0,11	↑ 0,56
CAC40	3 940	↑ 0,37	↑ 1,58
ATX	2 298	↓ -0,10	↓ -0,62
IBEX35	7 966	↑ 0,29	↑ 1,41
Nikkei 225	14 779	↑ 0,82	↑ 1,23
Hang Seng	21 417	↑ 0,25	↑ 0,53
SSEC	2 005	↑ 0,61	↓ -2,65
SENSEX	20 159	↑ 0,05	↑ 0,62
RTS	1 380	↓ -0,17	↑ 1,88
Bovespa	48 574	↑ 2,48	↑ 3,93

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3187	↑ 0,03	↑ 0,20
EUR/CHF	1,2350	↑ 0,06	↓ -0,08
USD/GBP	1,5355	↓ -0,03	↑ 1,29
USD/JPY	99,52	↓ -0,12	↑ 0,43
AUD/USD	0,9251	↑ 0,02	↑ 0,01
USD/CAD	1,0329	↓ -0,05	↓ -0,37

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,3	↓ -0,3	↓ -1,5
EMBI+ Spread	287	↑ 12	↑ 30
CDS 5Y PIIS	240	↓ -14	↓ -27
CDS 5Y Italy	222	↓ -5	↓ -11
CDS 5Y Belg.	36	↓ -2	↓ -4
iTraxx 5Y EU	97,3	↓ -4	↓ -10
US TED Spread	23,0	↓ -2	↑ 0

Source: Reuters, OTP Research

Summary

- Developed stock markets opened the week optimistically, but they ran out of steam by the close.
- The key US indices extended gains, and the EUR/USD is nearing 1.32 this morning.

A bunch of cheering news (Prime Minister Abe's party won Sunday's elections in Japan, G20 leaders warned the major central banks to be cautious about phasing out monetary stimulus, the Portuguese PM's firm ruling out of early elections, and much-better-than-expected Q1 report by UBS) generated upbeat mood on advanced markets at the beginning of the week but investors lost some confidence by the end of the day. GlaxoSmithKlein, the pharmaceutical company contracted by 0.3% on the back of news that it may face problems in China. Deutsche Bank is to cut its balance sheet by one-fifth, to improve its capital adequacy ratio. In Paris, both Société Générale and BNP Paribas advanced more than 1.5%. The quarterly report posted by McDonald's slightly missed expectations.

In the USA, the key indices rose further, even if some big companies reported weaker-than-expected figures for the second quarter. Fed Bernanke's last week's attempt to calm investors proved to be successful. None of the Fed leaders will speak before the beginning of August.

The EUR/USD has been very slightly increasing since Thursday afternoon, drawing near 1.32 this morning.

Asian markets noticeably picked up this morning, and most European indices opened in the green.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,30	↑	0	↓	-3
US 10Y	2,49	↑	0	↓	-5
JP 2Y	0,13	↑	0	↑	0
JP 10Y	0,79	↓	-2	↓	-3
GER 2Y	0,08	↑	1	↓	-2
GER 10Y	1,52	↑	0	↓	-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	0,26	→	0	↓	0
US 2Y Swap	0,46	↓	-1	↓	-3
US 5Y Swap	1,47	↑	2	↓	-6
EUR 3M Euribor	0,22	↑	0	↑	0
EUR 2Y Swap	0,53	↑	1	↑	1
EUR 5Y Swap	1,05	↑	0	↓	-2
GB 3M Libor	0,51	→	0	↑	0
GB 2Y Swap	0,70	↓	-1	↓	-1
GB 5Y Swap	1,33	↓	-1	↓	-4
JP 3M Libor	0,16	→	0	↑	0
JP 2Y Swap	0,25	↓	-1	↓	-1
JP 5Y Swap	0,42	↓	-1	↓	-4
CHF 3M Libor	0,02	→	0	→	0
CHF 2Y Swap	0,15	↓	0	↓	0
CHF 5Y Swap	0,64	↓	0	↓	-4

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	108,4	↑	0,25	↓	-0,90
Gold	1 331	↓	-0,27	↑	3,05

Source: Reuters, OTP Research

Instead of the expected growth, existing home sales decreased in June but the statistical office revised the previous reading upwards. That said, the annualized number of transactions remains above five million, a level not seen since the first half of 2007 (disregarding the jump caused by subsidies in 2009). Nevertheless, the property market's fast upsurge seems to have halted since April, making it less probable that tapering off QE3 may start in September.

The European Commission will publish the eurozone's confidence index today. Consumer confidence is expected to have slightly improved in July.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	US	Jun	Existing home sales (million)	5,08	5,25	5,14
Tuesday	EZ	Jul	Consumer confidence (point)		-18,3	-18,8

Source: Reuters, OTP Research

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