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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	15 011	↑ 0,31	↓ -0,47
S&P500	1 664	↑ 0,39	↑ 0,46
Nasdaq100	3 124	↑ 0,73	↑ 1,64
Russell2000	1 038	↑ 0,20	↑ 1,36
Stoxx600	305	↑ 0,38	↓ -0,54
DAX	8 417	↑ 0,23	↑ 0,30
FTSE 100	6 492	↑ 0,70	↑ 0,22
CAC40	4 069	↑ 0,25	↓ -1,32
ATX	2 511	↑ 0,95	↓ -0,97
IBEX35	8 687	↑ 0,66	↓ -1,52
Nikkei 225	13 633	↓ -0,20	↓ -0,91
Hang Seng	21 864	↓ -0,15	↓ -2,91
SSEC	2 057	↓ -0,47	↓ -0,53
SENSEX	18 519	↑ 1,13	↓ -0,42
RTS	1 331	↑ 0,15	↑ 0,57
Bovespa	52 197	↑ 1,56	↑ 1,28

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3381	→ 0,00	↑ 0,36
EUR/CHF	1,2338	↑ 0,06	↑ 0,12
USD/GBP	1,5568	↑ 0,01	↓ -0,50
USD/JPY	98,52	↓ -0,22	↑ 0,99
AUD/USD	0,9037	↑ 0,19	↓ -0,79
USD/CAD	1,0500	↑ 0,06	↑ 1,51

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	14,0	↓ -0,8	↓ -0,4
EMBI+ Spread	293	↓ -11	↓ -3
CDS 5Y PIIS	224	↓ -2	↑ 8
CDS 5Y Italy	190	↓ -4	↓ -1
CDS 5Y Belg.	36	↓ -1	↑ 1
iTraxx 5Y EU	100,4	↓ -2	↑ 2
US TED Spread	23,0	↓ 0	↑ 2

Source: Reuters, OTP Research

Summary

- European and American indices achieved moderate gains on Friday.
- US new home sales fell 13.4% MoM in July.
- During the weekend's gathering in Jackson Hole, the Fed's decision makers remained reticent about the timing and the speed of scaling back the quantitative easing.

Europe's key indices opened Friday's session with modest loss but as the sentiment noticeably improved on markets the key benchmarks ended slightly higher on the last trading day of the week. The optimism was fuelled by favourable Q2 growth data from Germany and Britain (thanks to private and public consumption, Germany's economy grew by 0.7% QoQ and by 0.9% YoY). Germany's DAX and France's CAC40 went 0.2% higher each, while the FTSE in London added 0.7% on Friday. The London Stock Exchange is closed today.

Friday's trading lacked a definite direction in the USA but the favourable sentiment in Europe soon spread onto US stock markets and it persisted until the close. The Dow edged 0.3% higher, the S&P rose by 0.4%, and the Nasdaq firmed 0.7% on Friday. All of the S&P's sector indices saw gains on the last trading day of the week. Growing 0.8% made the utilities sub-index the strongest one. Of the Dow's components, Microsoft was noteworthy as its shares surged 7.3% in Friday's session, on the back of news that its CEO Steve Ballmer announced to resign within one year.

In this morning's optimistic trading, Asia's key indices increased by 0.3-1.5%. Only Japan's Nikkei failed to creep into the green territory as the benchmark sank almost 0.3%. The Nikkei's weak performance must have stemmed from the yen's firming to the dollar, which adversely affected the export-driven sectors.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,38	↓ -2	↑ 3
US 10Y	2,82	↓ -7	↓ -2
JP 2Y	0,12	↑ 0	↑ 0
JP 10Y	0,77	↑ 1	↑ 1
GER 2Y	0,27	↑ 3	↑ 4
GER 10Y	1,92	↓ 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	0,55	↓ 0	↑ 2
US 5Y Swap	1,78	↑ 1	↑ 2
EUR 3M Euribor	0,23	↑ 0	↓ 0
EUR 2Y Swap	0,65	⇒ 0	↑ 2
EUR 5Y Swap	1,41	↓ -1	↑ 8
GB 3M Libor	0,51	↑ 0	↑ 0
GB 2Y Swap	0,86	⇒ 0	↓ 0
GB 5Y Swap	1,80	↓ 0	↑ 1
JP 3M Libor	0,15	⇒ 0	⇒ 0
JP 2Y Swap	0,26	↓ -1	↓ 0
JP 5Y Swap	0,44	↓ 0	↑ 1
CHF 3M Libor	0,02	⇒ 0	⇒ 0
CHF 2Y Swap	0,22	↓ 0	↑ 1
CHF 5Y Swap	0,84	⇒ 0	↑ 7

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	111,3	↑ 0,23	↑ 1,26
Gold	1 396	↓ -0,02	↑ 2,24

Source: Reuters, OTP Research

In an important macroeconomic release from the USA on Friday, July's new home sales slumped 13.4% since June, which translates into an annualized figure of 394,000 transactions. This gauge caused massive disappointment, as the consensus had forecast 490,000. The decline seen in July can be put down to higher mortgage interest rates but it is noteworthy that despite the considerable relapse, the YoY index signifies 6.8% increase. The geographical breakdown shows that new home sales fell in all regions of the USA in July: home prices in the West slid 16.1% slide, the Midwest saw 12.9% contraction, the South slumped 13.4%, and the North-East gauged 5.7% lower prices.

The annual Jackson Hole meeting of central bankers took place this weekend. For the first time in 25 years, the Fed's current chairman did not participate. A central issue at the gathering was the Federal Reserve's monetary easing, but the Fed's decision makers refrained from making concrete statements about the timing or the pace of tapering the stimulus.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	US	Jul	New home sales (units)	394	490	497
	EZ	Aug	Consumer confidence (points)	-15,6	-16,5	-17,4
	DE	Q2	GDP detailed (yoy, %)	0,9	-	0,9
	GB	Q2	GDP second release (yoy, %)	1,5	1,4	1,4
	GB	Q2	GDP second release (mom, %)	0,7	0,6	0,6
Monday	US	Jul	Building permits number (units)	-	-	943
	US	Jul	Durable goods (%)	4,0	4,0	3,9

Source: Reuters, OTP Research

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