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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	15 401	↓ -0,32	↓ -0,60
S&P500	1 702	↓ -0,47	↑ 0,25
Nasdaq100	3 219	↓ -0,17	↑ 1,60
Russell2000	1 072	↓ -0,07	↑ 1,50
Stoxx600	313	↓ -0,50	↓ -0,26
DAX	8 635	↓ -0,47	↑ 0,26
FTSE 100	6 557	↓ -0,59	↓ -0,99
CAC40	4 172	↓ -0,75	↑ 0,48
ATX	2 490	↓ -0,54	↓ -0,97
IBEX35	9 110	↓ -0,68	↑ 1,22
Nikkei 225	14 742	→ 0,00	↑ 3,01
Hang Seng	23 372	↓ -0,56	↑ 0,51
SSEC	2 221	↑ 1,33	↓ -0,46
SENSEX	19 901	↓ -1,79	↑ 0,80
RTS	1 451	↓ -0,79	↑ 1,06
Bovespa	54 602	↑ 0,91	↑ 1,45

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3500	↑ 0,06	↑ 1,07
EUR/CHF	1,2296	↑ 0,04	↓ -0,57
USD/GBP	1,6041	↑ 0,23	↑ 0,88
USD/JPY	98,91	↑ 0,09	↓ -0,20
AUD/USD	0,9416	↓ -0,14	↑ 0,67
USD/CAD	1,0281	→ 0,00	↓ -0,13

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	14,3	↑ 1,2	↓ -0,1
EMBI+ Spread	287	↓ -6	↓ -5
CDS 5Y PIIS	241	↓ -1	↓ -12
CDS 5Y Italy	201	↓ 0	↓ -10
CDS 5Y Belg.	35	↑ 1	↓ -1
iTraxx 5Y EU	98,9	↑ 11	↑ 2
US TED Spread	22,5	→ 0	↓ -2

Source: Reuters, OTP Research

Summary

- The beneficial effect of German elections' outcome did not last long: by the close, the key stock market indices returned to the levels seen prior to the announcement of the Fed's decision. This morning European markets were moderately optimistic.
- Markit published rather mixed PMIs: the gauges showed that the sentiment improved in the services sector and soured in the manufacturing sector in September.

The positive effect of the German election's outcome proved to be short-lived on European stock markets, as voices claiming that a probable grand coalition in the largest economy of the continent may hinder decision-making in pan-European issues, thus crisis management will not accelerate, are becoming louder. Besides, the mixed readings of Markit's manufacturing purchasing managers' indices did not help the development of a single direction. Ultimately, partly owing to American markets' opening in the red, Europe's key benchmarks fell by less than 1%.

In the USA, the sentiment was gloomy despite the fact that James Bullard, the head of the St. Louis Fed could not rule out that tapering the asset purchase programme may start as early as in October. The effect of the weaker-than-expected manufacturing PMI proved to be stronger this time. In a typical sign of investors' attitude, the EUR/USD broke its two-and-a-half-day motionlessness (after the jump that followed the announcement of the Fed's decision) and started to sink. By Monday's close, the Dow, the S&P500 and the DAX all returned to the levels seen prior to the Fed decision. At this point, the Nasdaq 100 fares relatively better, mostly owing to Apple's 5% rally caused by the first weekend sales data of its new iPhone.

In this morning's Asian trading, the slightly depressed sentiment continued. However, the European opening brought slightly surprising optimism as the key indices swung into the green territory. The EUR/USD was also pushed above 1.351.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,34	↑	0	↓	-6
US 10Y	2,70	↓	-4	↓	-17
JP 2Y	0,10	↑	10	↓	-2
JP 10Y	0,70	↑	70	↓	-2
GER 2Y	0,21	↑	2	↑	1
GER 10Y	1,94	↑	2	↑	1

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	0,25	↑	0	↓	0
US 2Y Swap	0,45	↓	-1	↓	-7
US 5Y Swap	1,58	↓	-2	↓	-17
EUR 3M Euribor	0,22	→	0	↓	0
EUR 2Y Swap	0,56	↑	1	↓	-5
EUR 5Y Swap	1,29	↓	-3	↓	-7
GB 3M Libor	0,52	→	0	↑	0
GB 2Y Swap	0,00	↓	-86	↓	0
GB 5Y Swap	1,86	↓	-1	↓	-2
JP 3M Libor	0,15	→	0	↓	0
JP 2Y Swap	0,24	→	0	↓	0
JP 5Y Swap	0,39	↓	-1	↓	-2
CHF 3M Libor	0,02	→	0	→	0
CHF 2Y Swap	0,17	↓	-2	↓	-1
CHF 5Y Swap	0,73	↑	0	↓	-2

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	108,1	↓	-0,05	↓	-0,07
Gold	1 324	↑	0,16	↑	1,12

Source: Reuters, OTP Research

Markit's preliminary purchasing managers indices were rather mixed: the services sub-indices typically came in better than expected. As a result, the composite indices also advanced, but the manufacturing sub-indices were generally weaker than had been thought and below the previous month's values (moreover, the index remained below 50 in France). This suggests that the eurozone is trading on the way of slow recovery but the weak industrial indices warn of the precariousness of this process.

Today's releases include Germany's IFO business climate index as well as US property price indices. Reuters's consensus promises further increases for the latter, the monthly change is likely to be a healthy near-1% rise.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	FR	Sep	Markit Manufacturing PMI (flash, point)	49,5	50,1	49,7
	DE	Sep	Markit Manufacturing PMI (flash, point)	51,3	52,2	51,8
	EZ	Sep	Markit Manufacturing PMI (flash, point)	51,1	51,8	51,4
	CN	Sep	HSBC Manufacturing PMI (flash, point)	51,2	-	50,1
	US	Sep	Markit Manufacturing PMI (flash, point)	52,8	54,0	53,1
Tuesday	DE	Sep	IFO business climate index (point)		108,2	107,5
	US	Jul	S&P CaseShiller 20 (yoy, %)		12,4	12,1

Source: Reuters, OTP Research

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