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# Daily Report – Global markets

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	15 258	↓ -0,46	↓ -1,25
S&P500	1 692	↓ -0,41	↓ -1,06
Nasdaq100	3 230	↓ -0,12	↑ 0,17
Russell2000	1 074	↓ -0,39	↑ 0,13
Stoxx600	312	↓ -0,27	↓ -0,64
DAX	8 662	↓ -0,03	↓ -0,16
FTSE 100	6 513	↓ -0,81	↓ -1,27
CAC40	4 187	↑ 0,00	↓ -0,40
ATX	2 549	↑ 0,68	↑ 1,80
IBEX35	9 228	↓ -0,47	↑ 0,62
Nikkei 225	14 760	↓ -0,26	↑ 0,12
Hang Seng	23 207	↑ 0,35	↓ -1,26
SSEC	2 160	↑ 0,20	↓ -1,45
SENSEX	19 727	↓ -0,84	↓ -2,65
RTS	1 433	↓ -1,29	↓ -2,05
Bovespa	53 739	↓ -0,08	↓ -0,69

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3487	↓ -0,25	↓ -0,04
EUR/CHF	1,2222	↓ -0,21	↓ -0,56
USD/GBP	1,6136	↑ 0,61	↑ 0,59
USD/JPY	97,85	↓ -0,40	↓ -0,98
AUD/USD	0,9308	↓ -0,08	↓ -1,28
USD/CAD	1,0307	↑ 0,04	↑ 0,25

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	15,5	↑ 1,4	↑ 2,3
EMBI+ Spread	287	↓ -6	↓ -5
CDS 5Y PIIS	237	↑ 2	↓ -6
CDS 5Y Italy	221	↑ 21	↑ 20
CDS 5Y Belg.	35	↑ 0	↑ 2
iTraxx 5Y EU	101,9	↑ 3	↑ 3
US TED Spread	22,8	→ 0	↓ -1

Source: Reuters, OTP Research

**Summary**

- Friday's sentiment was unfavourable in Europe and in the USA. American indices fell by 0.1-0.5%, and Europe's benchmarks closed Friday's trading mixed.
- On Saturday night, five centre-right ministers of the Italian government announced their resignation in a joint memorandum.
- American decision makers have until Monday midnight to approve the 2014 budget, to prevent US Federal government from shutdown.

Europe's leading stock markets had a rather gloomy Friday. Investors were concerned about news about the Italian political crisis. The key indices closed mixed on the last trading day of the week.

On Wednesday, senators and MPs of Silvio Berlusconi's People of Freedom (Pdl) party announced to resign collectively if the 4 October meeting of the parliament's immunity committee deprives Silvio Berlusconi from his mandate. The tension on Friday's government meeting continued: the debates between the centre left and the centre right thwarted agreement about the planned postponement of VAT hikes. Thus VAT will increase as of 1 October. On Saturday evening, the five centre right ministers (that of the interior, agriculture, healthcare, transport and constitutional reforms) of the Italian government that had been formed in end-April, announced their resignation in a joint memorandum, breaking up the existing grand coalition with the centre left and the centrists. Officially, the five ministers have not submitted their letters of resignation.

In the USA, news about the 2014 budget and raising the debt ceiling rattled investors. The key indices closed the last trading day of the week lower: the Dow sank 0.5%, the S&P shed 0.4%, while the Nasdaq inched down 0.1%. Of the S&P's sector indices, the cyclical consumer goods sub-index was the strongest performer, with 0.02% increase. Falling 1.2% made commodities the weakest sector index. Of the Dow's components, Nike made the strongest gain on Friday, as its stock price jumped 4.7% higher.

Speaking on Friday, the head of the Chicago Fed hinted that the Fed was unlikely to begin scaling back its current asset purchase programme of USD 85 bn per month. At the same time, he did not rule out that one of this year's meetings of the Open Market Committee would feel confident enough to start the tapering.

Asia was likewise pessimistic this morning. Japan's stock markets were the weakest performers: the Nikkei fell more than 2% and the TOPIX shed almost 2%. China's stock markets closed this morning's session mixed: while the Shanghai Composite upped 0.3%, the Hang Seng CE dipped nearly 1.7%.

**GOV'T BOND MARKET**

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,32	↑ 0	↓ -1
US 10Y	2,60	↑ 0	↓ -11
JP 2Y	0,10	↑ 0	↑ 0
JP 10Y	0,69	↓ -1	↓ -1
GER 2Y	0,20	→ 0	↓ -1
GER 10Y	1,83	→ 0	↓ -11

**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	0,44	↓ -1	↓ -2
US 5Y Swap	1,50	↓ -3	↓ -10
EUR 3M Euribor	0,22	↑ 0	↑ 0
EUR 2Y Swap	0,54	↓ -1	↓ -1
EUR 5Y Swap	1,22	↓ -3	↓ -7
GB 3M Libor	0,52	→ 0	→ 0
GB 2Y Swap	0,81	↓ -2	↓ -1
GB 5Y Swap	1,69	↑ 1	↓ -1
JP 3M Libor	0,15	→ 0	→ 0
JP 2Y Swap	0,23	↑ 1	↓ -1
JP 5Y Swap	0,39	↑ 1	↓ -1
CHF 3M Libor	0,02	↑ 0	↑ 0
CHF 2Y Swap	0,13	↓ 0	↓ -5
CHF 5Y Swap	0,67	→ 0	↓ -6

**COMMODITIES**

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	107,8	↓ -0,81	↓ -0,38
Gold	1 338	↑ 0,19	↑ 1,27

Source: Reuters, OTP Research

On Friday, the US Senate voted to keep the budget temporarily, ensuring payments by the government until 15 November. But while doing so, the postponement of President Obama's federal healthcare bill ('Obamacare') was removed from the draft bill. The reform submitted by the President back in 2010 would affect next year's budget and was met with fierce opposition by Republicans, who would have preferred to cut spending. To save US federal government from a shutdown, the Republican-majority House of Representatives must approve the bill by Monday midnight.

American households' personal income and personal consumption expenditure increased in August. Personal income grew by 0.4% and spending rose by 0.2% MoM, bringing the savings rate to as high as 4.6%.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	JP	Aug	CPI (y-o-y, %)	0,8	0,7	0,7
	DE	Sep	CPI (preliminary, y-o-y, %)	1,4	1,5	1,5
	US	Aug	Personal consumption expenditures (m-o-m, %)	0,3	0	0
	US	Aug	Personal income (m-o-m, %)	0,4	0,4	0,1
	US	Aug	PCE deflator (y-o-y, %)	1,2	-	1,4
Monday	CN	Sep	HSBC Manufacturing PMI (point)	50,2	-	51,2
	DE	Aug	Retail sales (mom, %)		0,8	-1,4
	DE	Aug	Retail sales (yoy, %)		0,4	2,3
	EZ	Sep	Inflation (flash, yoy, %)		1,2	1,3
	US	Sep	Chicago PMI (point)		54,0	53,0

Source: Reuters, OTP Research

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