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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	15 594	↓ -0,97	↑ 0,31
S&P500	1 747	↓ -1,32	↓ -0,53
Nasdaq100	3 321	↓ -1,89	↓ -1,67
Russell2000	1 079	↓ -1,78	↓ -1,91
Stoxx600	323	↓ -0,01	↑ 0,27
DAX	9 081	↑ 0,44	↑ 0,52
FTSE 100	6 697	↓ -0,66	↓ -0,51
CAC40	4 281	↓ -0,14	↓ -0,44
ATX	2 660	↓ -0,22	↑ 2,19
IBEX35	9 740	↓ -0,98	↓ -1,69
Nikkei 225	14 087	↓ -1,00	↓ -0,81
Hang Seng	22 739	↓ -0,62	↓ -2,20
SSEC	2 106	↓ -1,11	↓ -2,04
SENSEX	20 683	↓ -0,67	↓ -2,42
RTS	1 468	↑ 0,64	↓ -0,82
Bovespa	52 741	↓ -1,21	↓ -2,79

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3410	↓ -0,06	↓ -0,56
EUR/CHF	1,2291	↑ 0,02	↓ -0,07
USD/GBP	1,6096	↑ 0,11	↑ 1,08
USD/JPY	98,10	↑ 0,02	↓ -0,58
AUD/USD	0,9469	↑ 0,17	↑ 0,34
USD/CAD	1,0451	↓ -0,06	↑ 0,31

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,9	↑ 1,2	↑ 0,2
EMBI+ Spread	287	↓ -6	↓ -5
CDS 5Y PIIS	173	↓ -7	↓ -15
CDS 5Y Italy	165	↓ -4	↓ -7
CDS 5Y Belg.	28	↓ -2	↓ -3
iTraxx 5Y EU	84,6	↑ 0	↓ -2
US TED Spread	18,4	→ 0	↓ -2

Source: Reuters, OTP Research

Summary

- The ECB's rate decision took markets by surprise; most European indices closed lower yesterday. In the USA, the better-than-expected GDP reading added to speculations about the Fed's tapering.
- After yesterday's IPO, Twitter skyrocketed 73%.
- S&P has downgraded France from AA+ to AA minus.

The ECB's unexpected rate decision caused most European indices close lower; after the rate cut, the Stoxx 600 index gave back the 1.6% gain in made earlier on Thursday, thus it practically stagnated. The CAC40 edged down, and the FTSE dropped by 0.7%. On the other hand, the DAX has increased after Siemens surged 3.4% as its Q3 figures had beaten forecasts. Siemens also benefited from the announcement of a EUR 4 bn share buy-back programme. In contrast, HeidelbergCement contracted by 3.8% following a report on 7% shrinkage in its Q3 profits. The vastly higher than expected profit of Commerzbank may also have cheered investors, who raised its share price by 10% in response. ArcelorMittal also benefited from an encouraging forecast: its higher-than-expected EBITDA, coupled with the favourable outlook on full-year profit drove its share price 3.9% higher.

The S&P500 saw its heaviest fall of the past two months after the better-than-expected American GDP data intensified speculations that the Fed might taper its asset purchase programme. All of the S&P's sector indices slipped, with consumer goods and energy names seeing the biggest losses, and defensive stocks saw the slightest loss. Technology stocks have significantly fallen, owing to the general market mood as well as the forecast on weaker-than-expected sales data of the biggest manufacturer of smartphone chips Qualcomm (-3.8%). The Nasdaq was 1.9% down. The Dow fell 1%; the heaviest weight on it was Walt Disney, which lost 2.7% before publishing its Q3 report after market close. Given that the entertainment giant's figures exceeded expectations, its share price is likely to see correction today.

On the day of its debut on the New York Stock Exchange, Twitter soared 73%, seeing its price skyrocketing from USD 26 to USD 44 by the end of Thursday. Calculating with 70 million shares, a total of USD 1.82 billion has been raised.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,29	↓ -1	↓ -2
US 10Y	2,60	↓ -4	↑ 4
JP 2Y	0,09	↓ -1	↓ -1
JP 10Y	0,59	↓ -3	↓ -2
GER 2Y	0,13	↓ -1	↓ -4
GER 10Y	1,74	↑ 1	↑ 3

CENTRAL BANKS' RATES

	Rate (%)	6M Consensus	1Y Consensus
Fed Funds	0,25	→ 0,25	→ 0,25
ECB Rate	0,25	↑ 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	0,24	↑ 0	↓ 0
US 2Y Swap	0,39	↑ 0	↓ -2
US 5Y Swap	1,42	↑ 2	↓ -6
EUR 3M Euribor	0,23	→ 0	↓ 0
EUR 2Y Swap	0,44	↓ -1	↓ -5
EUR 5Y Swap	1,04	↓ -9	↓ -5
GB 3M Libor	0,52	→ 0	↑ 1
GB 2Y Swap	0,79	→ 0	↓ -1
GB 5Y Swap	1,67	↓ -1	↓ -2
JP 3M Libor	0,14	→ 0	→ 0
JP 2Y Swap	0,20	↓ -1	↓ -1
JP 5Y Swap	0,32	↓ -1	↓ -2
CHF 3M Libor	0,02	→ 0	↑ 0
CHF 2Y Swap	0,06	↑ 0	↓ -2
CHF 5Y Swap	0,56	↓ -1	↓ -3

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	103,5	↑ 0,03	↓ -2,28
Gold	1 310	↑ 0,18	↓ -0,37

Source: Reuters, OTP Research

Taking the business world by surprise, the ECB has cut its key policy rate, adding to investors' worries that the eurozone's growth may be slow and protracted. On the other hand, the Bank of England maintained its 0.5% interest rate level and left its GBP 375 bn asset purchase programme in place, as expected.

Unexpectedly, America's GDP growth accelerated to an annualized 2.8% in the third quarter (up from 2.5% in Q2), chiefly owing to the faster-than-expected restocking, whereas personal consumption expenditures' growth has decelerated and companies' investment expenditures have contracted. In the light of details, many analysts expect much slower growth in the fourth quarter.

The weekly US employment data were reassuring: initial jobless claims have declined, albeit not at the expected rate, while the continued jobless number shrank stronger than had been forecast. In today's publication, the monthly employment data will see the light of day in the USA for October. The preliminary reading of the University of Michigan's consumer sentiment index for November is also due out.

S&P has downgraded France, cutting its rating from AA+ to AA minus, as it found that its tax and labour reforms failed to bring significant improvement to the country's medium-term growth prospects.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	UK	Sep	Bank of England rate decision (%)	1	0,5	0,5
	EZ	Sep	ECB rate decision (%)	0,3	0,5	0,5
	US	Sep	GDP advance (annualized qoq, %)	2,8	2,0	2,5
	US	weekly	Initial jobless claims (ths)		335	340
	US	weekly	Continued jobless claims (ths)	2 868,0	2 875,0	2 881,0
Friday	US	Nov	Non-farm payroll ('000s)		125	148
	US	Nov	Manufacturing payroll ('000s)		4	2
	US	Nov	Jobless rate (%)		7	7
	US	Mar	Michigan consumer index (prelim., points)		74,5	73,2

Source: Reuters, OTP Research

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