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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 258	↓ -1,09	↓ -1,02
S&P500	1 819	↓ -1,26	↓ -0,41
Nasdaq100	3 513	↓ -1,47	↓ -1,27
Russell2000	1 148	↓ -1,41	↓ -0,82
Stoxx600	331	↑ 0,23	↑ 1,14
DAX	9 510	↑ 0,39	↑ 0,87
FTSE 100	6 757	↑ 0,26	↑ 0,39
CAC40	4 263	↑ 0,30	↑ 0,85
ATX	2 692	↑ 0,53	↑ 5,44
IBEX35	10 366	↑ 0,73	↑ 4,82
Nikkei 225	15 912	→ 0,00	↑ 0,62
Hang Seng	22 802	↓ -0,38	↑ 0,39
SSEC	2 025	↑ 0,77	↓ -1,09
SENSEX	21 084	↓ -0,24	↑ 1,89
RTS	1 402	↑ 0,42	↑ 0,98
Bovespa	49 427	↓ -0,54	↓ -3,03

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3657	↓ -0,10	↑ 0,31
EUR/CHF	1,2304	↑ 0,12	↓ -0,59
USD/GBP	1,6382	↓ -0,59	↓ -0,12
USD/JPY	103,37	↑ 0,38	↓ -1,18
AUD/USD	0,9032	↓ -0,22	↑ 1,20
USD/CAD	1,0883	↑ 0,20	↑ 1,11

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,3	↑ 1,1	↓ -0,3
EMBI+ Spread	287	↓ -6	↓ -5
CDS 5Y PIIS	143	↑ 2	↓ -9
CDS 5Y Italy	129	↑ 3	↑ 3
CDS 5Y Belg.	26	↑ 1	↓ -1
iTraxx 5Y EU	70,2	↓ -1	↑ 1
US TED Spread	20,4	→ 0	↑ 1

Source: Reuters, OTP Research

Summary

- Stock markets closed higher in Western Europe but US markets saw the worst intraday losses for months.
- Europe opened 1% in the red this morning, but the dollar lost some ground to the euro.

Western Europe started the week with gains; it was chiefly carmakers and banking shares that helped the key indices to small increases. Investment mood turned gloomy in the USA on Monday. The Dow Jones industrial average saw the heftiest intraday loss since 20 September, the S&P 500 and the Nasdaq since 7 November. Russell2000, which is seen as a reliable precursor, also sank 1.4%. Of the Dow Jones industrial average's 30 components, only Procter&Gamble and Merck increased in value; the latter's 6.5% soaring came after reports that its skin cancer medicament may be launched sooner than planned. Plunging more than 3% made Microsoft the loser of the day.

Analysts attribute the losses to investors' apprehension ahead of this week's quarterly reports. Another possible factor is last Friday's much-lower-than-expected jobless rate, which may influence the expectations for the date of the Fed's first interest rate hike.

This morning, Asian markets followed the American direction (Nikkei slumped over 3%), and the major European benchmarks stood 1% in the red half an hour after today's open. However, the dollar sharply fell versus the euro.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,37	↓ -1	↓ -3
US 10Y	2,84	↓ -3	↓ -13
JP 2Y	0,09	↑ 9	↓ 0
JP 10Y	0,68	↑ 68	↓ -5
GER 2Y	0,19	↓ -2	↓ -2
GER 10Y	1,84	↓ -6	↓ -9

CENTRAL BANKS' RATES

	Rate (%)	6M Consensus	1Y Consensus
Fed Funds	0,25	→ 0,25	→ 0,25
ECB Rate	0,25	→ 0,25	→ 0,25
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	0,46	↓ -1	↓ -3
US 5Y Swap	1,65	↑ 1	↓ -5
EUR 3M Euribor	0,28	→ 0	↑ 0
EUR 2Y Swap	0,50	↑ 0	↓ -3
EUR 5Y Swap	1,17	↓ -3	↓ -5
GB 3M Libor	0,52	↓ 0	↓ 0
GB 2Y Swap	0,90	→ 0	↓ -1
GB 5Y Swap	1,92	↓ -3	↓ -3
JP 3M Libor	0,15	→ 0	↓ 0
JP 2Y Swap	0,19	→ 0	↓ -1
JP 5Y Swap	0,33	↓ -3	↓ -3
CHF 3M Libor	0,02	→ 0	→ 0
CHF 2Y Swap	0,10	↑ 0	↑ 1
CHF 5Y Swap	0,64	→ 0	↓ -1

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	107,0	↑ 0,20	↓ -0,36
Gold	1 254	↑ 0,04	↑ 1,79

Source: Reuters, OTP Research

The US Federal budget saw a higher-than-expected surplus of USD 53.2 billion in the last month of 2013. This brings the US administration's year-2013 deficit to USD 560.6 billion, which amounts to 3.4% of GDP according to the most recent data (2012Q4-2013Q3). The highest shortfall was in the 2009 calendar year, with USD 1,471 billion budget gap (10.2% of GDP). The federal budget's shortfall was still 8.0% (USD 1,250 billion) in 2011. This suggests that significant austerity (USD 689 billion) was made in two years – that said, the Fed made additional securities and bond purchases worth USD 1,097 billion during this time.

Today's influential data releases include UK inflation statistics and the US retail sales gauge for December.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	US	Dec	Federal budget (monthly, USD bn)	53,2	44,0	-135,2
Tuesday	UK	Dec	CPI (yoy, %)		2,1	2,1
	EZ	Nov	Industrial production (mom, %)		1,4	-1,1
	US	Dec	Retail sales (mom, %)		0,1	0,7

Source: Reuters, OTP Research

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