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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	15 802	↑ 0,05	↑ 2,79
S&P500	1 800	↑ 0,16	↑ 3,33
Nasdaq100	3 582	↑ 0,57	↑ 3,22
Russell2000	1 119	↑ 0,20	↑ 1,44
Stoxx600	325	↑ 0,06	↑ 2,23
DAX	9 290	↓ -0,13	↑ 1,12
FTSE 100	6 592	↑ 0,30	↑ 1,95
CAC40	4 237	↑ 0,21	↑ 3,15
ATX	2 591	↓ -0,14	↑ 2,57
IBEX35	9 983	↓ -0,89	↑ 2,65
Nikkei 225	14 718	→ 0,00	↑ 5,07
Hang Seng	21 985	↑ 1,88	↑ 2,62
SSEC	2 102	↑ 3,38	↑ 3,38
SENSEX	20 393	↑ 0,29	↑ 0,89
RTS	1 336	↓ -0,41	↑ 3,31
Bovespa	47 711	↓ -0,75	↑ 3,39

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3658	↑ 0,10	↑ 1,04
EUR/CHF	1,2237	→ 0,00	↑ 0,17
USD/GBP	1,6400	↓ -0,05	↑ 0,47
USD/JPY	102,32	↑ 0,08	↑ 0,67
AUD/USD	0,9002	↑ 0,63	↑ 0,87
USD/CAD	1,1084	↑ 0,27	↑ 0,03

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	15,3	↓ 0,0	↓ -6,2
CDS 5Y PIIS	15	↓ 0	↓ -6
CDS 5Y Italy	137	↓ -2	↓ -13
CDS 5Y Belg.	136	↓ -1	↓ -10
iTraxx 5Y EU	28,0	↑ 1	↓ 0
US TED Spread	76,5	↓ -2	↓ -5

Source: Reuters, OTP Research

Summary

- Investors waited to see what Janet Yellen's testimony before the House's Financial Services Committee later today may hold. This morning, L'Oreal-related news brought optimism to Europe's stock markets.
- The dollar has depreciated; this morning, the greenback is still seen losing ground against key currencies.
- In a sign of growing risk aversion, gold futures grew to highs last seen in November.

Even though Asia's markets opened the week on a positive note, Europe was somewhat discouraged and the leading indices of America saw only modest gains. Obviously, investors were waiting to see what the new Fed chair Janet Yellen's Congress speech, scheduled for 16:00 CET, holds for them. What investors are most anxious about is whether the new chair, in her first influential testimony to a wider public, agrees with the monetary tightening schedule launched by her predecessor. Janet Yellen will speak before the House today, and before the Senate on Thursday, touching upon the Fed's future policy.

In the absence of market-moving macroeconomic statistics, it was the wait-and-see approach before Janet Yellen's speech that ruled markets. The dollar's retreat against the euro continued, pushing the EUR/USD closer to the 1.37 zone that proved to be strong resistance twice in January, and gold futures hit highs unseen since November 2013.

This morning's trading in Asia was optimistic (the Tokyo exchange was closed). All major indices in Europe opened higher, and all of the DAX's 30 components were in the green just before 10:00. Most of the confidence stems from L'Oreal's announcement to spend EUR 6 billion on buying back a 8% stake from Nestlé. The French cosmetics and beauty company's management expects the transaction to boost its EPS by 5%.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,31	↑	0	↑	1
US 10Y	2,67	↓	-1	↑	9
JP 2Y	0,00	↓	-8	↓	-9
JP 10Y	0,00	↓	-61	↓	-61
GER 2Y	0,10	↓	-3	↑	3
GER 10Y	1,67	↓	-2	↑	1

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	0,23	→	0	↓	0
US 2Y Swap	0,41	→	0	↓	-2
US 5Y Swap	1,56	↑	2	↑	1
EUR 3M Euribor	0,29	→	0	↑	0
EUR 2Y Swap	0,46	↑	1	↑	2
EUR 5Y Swap	1,02	↑	1	↑	1
GB 3M Libor	0,52	↓	0	↓	0
GB 2Y Swap	0,00	↓	-89	↓	-19
GB 5Y Swap	1,85	↓	-32	↓	-33
JP 3M Libor	0,14	→	0	→	0
JP 2Y Swap	0,00	↓	-19	↓	-19
JP 5Y Swap	0,00	↓	-32	↓	-33
CHF 3M Libor	0,02	→	0	↓	0
CHF 2Y Swap	0,05	→	0	↑	1
CHF 5Y Swap	0,48	↑	1	↑	1

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	108,7	↑	0,05	↑	2,74
Gold	1 283	↑	0,68	↑	2,26

Source: Reuters, OTP Research

The December reading of France's industrial output missed expectations. With no important data releases scheduled for today, market players will pay heed to Janet Yellen's words.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	CH	Jan	Unemployment rate (%)	3,5	3,6	3,5
	FR	Dec	Industrial output (m/m, %)	-0,3	0,0	1,3
Tuesday	UK	Jan	Retail trade (mom, %)	3,9	0,8	0,4
	CH	Jan	CPI (yoy, %)		0,1	0,1
	US	Dec	Wholesale inventories (mom, %)		0,5	0,5

Source: Reuters, OTP Research

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