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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 028	↑ 0,40	↑ 2,55
S&P500	1 830	↑ 0,58	↑ 3,18
Nasdaq100	3 660	↑ 0,89	↑ 2,74
Russell2000	1 148	↑ 1,35	↑ 2,80
Stoxx600	331	↓ -0,16	↑ 2,70
DAX	9 597	↑ 0,60	↑ 3,68
FTSE 100	6 659	↓ -0,23	↑ 1,54
CAC40	4 313	↑ 0,17	↑ 2,98
ATX	2 613	↓ -1,59	↑ 1,82
IBEX35	10 099	↑ 0,18	↑ 1,35
Nikkei 225	14 313	↓ -1,53	↓ -1,03
Hang Seng	22 298	↑ 0,60	↑ 1,53
SSEC	2 116	↑ 0,83	↑ 3,49
SENSEX	20 307	↑ 0,56	↓ -0,34
RTS	1 322	↓ -2,33	↓ -0,65
Bovespa	47 813	↓ -0,84	↑ 0,16

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3696	↑ 0,12	↑ 0,46
EUR/CHF	1,2219	→ 0,00	↓ -0,20
USD/GBP	1,6657	↑ 0,38	↑ 1,51
USD/JPY	101,83	↓ -0,31	↓ -0,49
AUD/USD	0,9033	↑ 0,62	↑ 0,87
USD/CAD	1,0957	↓ -0,14	↓ -0,67

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	14,1	↓ -0,2	↓ -3,1
CDS 5Y PIIS	14	↓ 0	↓ -3
CDS 5Y Italy	141	↑ 4	↓ -1
CDS 5Y Belg.	140	↑ 3	↓ -4
iTraxx 5Y EU	28,8	↑ 1	↑ 2
US TED Spread	74,4	↑ 0	↓ -7

Source: Reuters, OTP Research

Summary

- Despite the weaker-than-expected retail and weekly employment data, America closed higher. Corporate news, including the acquisition of Time Warner Cable, gave impetus to yesterday's trading.
- When US markets opened, Europe also picked up, also driven by corporate news.
- France and Germany published better-than-expected Q4 GDP figures.

In yesterday's US trading, investors shrugged off the weaker-than-expected January retail sales data and the higher-than-expected number of initial jobless claims; indices achieved gains on the back of encouraging corporate news. The investment community was excited about the merger of the two biggest cable providers Comcast and Time Warner Cable. Comcast will pay USD 45.2 billion to buy the latter, triggering a 7% jump in TWC's price. Comcast's share price fell 4.1% yesterday. Both Goodyear and Applied Materials posted promising sales and profit outlook. All of the S&P500's sector indices climbed higher, with utilities, commodity producers, and telecommunications companies seeing particularly nice gains.

Following a six-day steady winning streak, Europe's stock markets wobbled yesterday, but the opening of US markets galvanized them. The Stoxx600 index closed lower, as did 11 of the 18 national benchmarks. The DAX and the CAC40 could climb higher. The FTSE may have been dragged down by Rolls-Royce, which plunged 14% yesterday following the announcement that his year's revenues are unlikely to rise because of the narrowing demand. The financial services company Lloyds slipped. Tate&Lyle, the agrifood company, nosedived 16% as one of its products is facing deteriorating sales outlook. Nestlé forecasted 5% increase in turnover in 2014, the lowest in four years; in response, the market slashed its share price by 1.5%. France's BNP was also among the losers of the day (-2.6%), after provisioning USD 1.1 billion. The French index may have benefited from Renault's 5.6% advance yesterday, which came after a report on 59% growth in operating profit, chiefly because of the good performance of its Dacia division.

Asia's indices, except the Nikkei, went up this morning. The better than expected GDP readings from Germany and France have buoyed Europe's stock markets.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,32	↓ -2	↓ -1
US 10Y	2,74	↓ -5	↑ 4
JP 2Y	0,08	↓ 0	↓ -1
JP 10Y	0,60	↓ -2	↓ -2
GER 2Y	0,11	↓ -1	↑ 2
GER 10Y	1,70	↑ 0	↑ 5

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	0,42	↓ -1	↑ 1
US 5Y Swap	1,58	↓ 0	↑ 4
EUR 3M Euribor	0,29	↓ 0	↑ 0
EUR 2Y Swap	0,43	↑ 0	↓ -1
EUR 5Y Swap	1,00	↓ -4	↓ -2
GB 3M Libor	0,52	↓ 0	→ 0
GB 2Y Swap	0,99	↑ 2	↓ -2
GB 5Y Swap	2,02	↓ -1	↓ -2
JP 3M Libor	0,14	↓ 0	→ 0
JP 2Y Swap	0,18	↓ -1	↓ -2
JP 5Y Swap	0,31	↓ -1	↓ -2
CHF 3M Libor	0,02	→ 0	↑ 0
CHF 2Y Swap	0,07	↑ 2	↑ 2
CHF 5Y Swap	0,50	↑ 2	↑ 2

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	108,3	↓ -0,37	↓ -1,13
Gold	1 310	↑ 0,59	↑ 3,43

Source: Reuters, OTP Research

The data released in the USA yesterday missed analysts forecast: retail sales dropped by 0.4% MoM in January, and the December figure was revised down to 0.1%. Market players attribute the poorer retail data to the harsh winter weather, which can explain stock market prices' small reaction to the weak data. The weekly statistics of initial jobless claims also deteriorated, growing by 8,000 in a single week.

This morning, a number of eurozone economies published Q4 GDP data; Germany and France came up with reassuring readings. In today's important data releases, the USA is to publish industrial output statistics.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	DE	Jan	CPI (yoy, %)	1,3	1,3	1,3
	US	Jan	Retail sales (m-o-m, %)	-0,4	0,0	-0,1
	US	weekly	Initial jobless claims (ths)	339	330	331
	US	weekly	Continued jobless claims (ths)	2 953	2 960	2 971
Friday	FR	Q4	GDP preliminary (q-o-q, %)	0,3	0,2	0,0
	DE	Q4	GDP preliminary (q-o-q, %)	0,4	0,3	0,3
	IT	Q4	GDP preliminary (q-o-q, %)	0,1	0,1	0,0
	EZ	Q4	GDP preliminary (q-o-q, %)	0,3	0,2	0,1
	US	Jan	Industrial output (m-o-m, %)		0,3	0,3
	US	Jan	Manufacturing output (m-o-m, %)		0,1	0,4
	US	Jan	Capacity utilization (%)		79,3	79,2
	US	Feb	Michigan consumer sentiment (points)		80,6	81,2

Source: Reuters, OTP Research

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