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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 551	↑ 0,20	↓ -0,05
S&P500	1 876	↓ -0,14	↓ -0,43
Nasdaq100	3 540	↓ -0,17	↓ -1,32
Russell2000	1 097	↓ -1,00	↓ -2,78
Stoxx600	340	↑ 1,05	↑ 0,31
DAX	9 607	↑ 0,90	↑ 0,04
FTSE 100	6 839	↑ 0,63	↑ 0,45
CAC40	4 507	↑ 1,37	↑ 0,44
ATX	2 489	↑ 0,74	↓ -1,44
IBEX35	10 591	↑ 1,70	↑ 1,26
Nikkei 225	14 200	↑ 0,25	↓ -1,97
Hang Seng	21 834	↓ -0,01	↓ -0,65
SSEC	2 012	↓ -0,16	↓ -0,70
SENSEX	22 605	↑ 1,26	↓ -0,27
RTS	1 233	↑ 0,41	↑ 6,67
Bovespa	53 422	↓ -1,17	↑ 0,83

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3835	↓ -0,04	↓ -0,25
EUR/CHF	1,2186	↑ 0,06	↑ 0,04
USD/GBP	1,6931	↓ -0,12	↑ 0,39
USD/JPY	101,68	↑ 0,03	↓ -0,49
AUD/USD	0,9360	↓ -0,09	↑ 0,93
USD/CAD	1,0818	↓ -0,11	↓ -1,41

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,4	↑ 0,0	↑ 0,2
CDS 5Y PIIS	13	↓ -20,4	↓ -22,6
CDS 5Y Italy	69	↓ -3,9	↓ -6,6
CDS 5Y Belg.	89	↓ -1,0	↓ -1,6
iTraxx 5Y EU	24,1	↓ -1,3	↓ -2,7
US TED Spread	68,2	⇒ 0,0	↓ -0,4

Source: Reuters, OTP Research

Summary

- Thursday marked the first day of gains this week in Europe; the tech sector dragged US indices down.
- Tesla plunged 11% after releasing Q1 earnings figures.
- The ECB and the BoE both left their benchmark rates on hold. Speaking after the meeting, Mario Draghi did not rule out that easing may follow in June.

Equity indices made mixed moves in the USA, while most European markets climbed higher, encouraged by ECB President Draghi's post-meeting commentary. The Stoxx600 index advanced 1.1%, to a six-year high. Sixteen of Europe's 18 stock markets saw gains, with the DAX adding almost 1% and France's CAC40 upping by 1.4%. A 7.9% rally made Barclays one of the biggest winners of the day. The bank announced cutting 7,000 jobs in its investment banking arm, bringing the total amount of company-wide job losses to 19,000 by 2016. Italy's largest utilities company Enel jumped more than 5% in better-than-expected profit figures, even though they contracted by more than 8% in a year. Rheinmetall leapt to a huge gain of 8% Germany's car manufacturing supplier reported 12% Q1 revenue growth, beating analysts' expectations. BritishTelecom (+2.9%) and Germany's Metro discount chain (+2.7%) also benefited from their earnings reports, even though the latter comforted investors with lower-than-expected losses. A Bloomberg poll currently expects Stoxx600 companies' profit to grow by 8%; down from the +14% forecast in January.

US equities closed mixed: the Dow crept higher, the S&P and the Nasdaq wiped out earlier gains, mainly owing to the technology shares. Of the S&P's constituents, utilities fell the sharpest, while the telecommunications sector was the most successful one. Tesla reversed 11% after reports that its R&D costs will soar 30% in the second quarter and the tight supply of its battery cells leave their marks on production in the first half-year of 2014. Amazon has been sliding for the third day; yesterday it shed 1.5%. Meanwhile, Twitter regained 4% from the massive losses suffered earlier this week.

Asia's key indices closed mixed this morning, Europe opened lower.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,39	↓ -2	↓ -2
US 10Y	2,61	↓ -1	↓ 0
JP 2Y	0,09	↓ 0	↓ 0
JP 10Y	0,61	↓ 0	↓ -1
GER 2Y	0,15	↑ 1	↑ 15
GER 10Y	1,48	↑ 2	↑ 148

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	0,22	↓ 0	↑ 0
US 2Y Swap	0,49	↓ -1	↓ -6
US 5Y Swap	1,67	↓ -1	↓ -5
EUR 3M Euribor	0,34	→ 0	↑ 34
EUR 2Y Swap	0,42	↓ -1	↓ -1
EUR 5Y Swap	0,89	↓ -4	↓ -1
GB 3M Libor	0,53	↑ 0	↑ 0
GB 2Y Swap	1,15	→ 0	↓ 0
GB 5Y Swap	0,00	↑ 1	↓ 0
JP 3M Libor	0,14	→ 0	→ 0
JP 2Y Swap	0,19	↑ 1	↓ 0
JP 5Y Swap	0,32	↑ 1	↓ 0
CHF 3M Libor	0,02	↑ 0	↑ 0
CHF 2Y Swap	0,03	→ 0	↓ -3
CHF 5Y Swap	0,34	↓ -1	↓ -3

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	108,2	↑ 0,19	↓ -0,32
Gold	1 291	↑ 0,17	↓ -0,66

Source: Reuters, OTP Research

In yesterday's rate decision, the Bank of England and the European Central Bank lefts their key policy rates unchanged. The ECB's Chairman Mario Draghi hinted that the bank has prepared for easing, which may come in June depending on whether its inflation forecast projects too low trajectory.

In the USA, the weekly jobless data improved further; initial jobless claims reduced by 26,000 in a week. The 319,000 figure is less than the market consensus of 325,000.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	CN	Apr	Export (YoY, %)	0,9	-1,7	-6,6
	DE	Mar	Industrial production (MoM, %)	-0,5	0,2	0,4
	GB	May	BOE base rate (%)	0,50	0,50	0,50
	GB	May	BOE QE (bn GBP)	375,0	-	375,0
	EZ	May	ECB base rate (%)	0,25	-	0,25
Friday	NC	Apr	CPI (YoY, %)	1,8	2,2	2,4
	DE	Mar	Export (YoY, %)	-1,80	1,00	-1,30
	DE	Mar	Trade balance (bn, EUR)	14,8	16,6	15,70
	GB	Mar	Industrial production (MoM, %)	-	-	1,0
	US	Mar	Wholesale sales (MoM, %)	-	0,7	0,7

Source: Reuters, OTP Research

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