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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 533	↑ 0,97	↓ -0,49
S&P500	1 888	↑ 0,81	↓ -0,03
Nasdaq100	3 636	↑ 0,98	↑ 1,98
Russell2000	1 104	↑ 0,52	↑ 0,70
Stoxx600	340	↑ 0,60	↓ -0,37
DAX	9 698	↑ 0,61	↓ -0,58
FTSE 100	6 821	↑ 0,28	↓ -0,84
CAC40	4 469	↑ 0,37	↓ -0,71
ATX	2 397	↑ 0,20	↓ -2,88
IBEX35	10 531	↑ 0,74	↓ -0,78
Nikkei 225	14 338	↑ 2,11	↑ 1,71
Hang Seng	22 986	↑ 0,65	↑ 1,24
SSEC	2 036	↑ 0,55	↑ 0,55
SENSEX	24 465	↑ 0,36	↑ 1,64
RTS	1 317	↑ 1,42	↑ 4,45
Bovespa	52 203	↓ -0,31	↓ -3,07

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3672	↓ -0,10	↓ -0,28
EUR/CHF	1,2221	↓ -0,02	↑ 0,08
USD/GBP	1,6899	↑ 0,37	↑ 0,67
USD/JPY	101,64	↑ 0,29	↑ 0,08
AUD/USD	0,9261	↑ 0,13	↓ -1,02
USD/CAD	1,0907	↓ -0,05	↑ 0,20

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	11,9	↓ -1,1	↓ -0,3
CDS 5Y PIIS	12	↑ 4,3	↑ 11,8
CDS 5Y Italy	79	↑ 5,9	↑ 19,3
CDS 5Y Belg.	109	↑ 0,3	↑ 2,3
iTraxx 5Y EU	24,7	↓ -0,9	↑ 4,2
US TED Spread	70,3	→ 0,0	↓ -0,1

Source: Reuters, OTP Research

Summary

- Wednesday's global buoyancy brought gains to US and European markets.
- Under the deal struck by Russia and China, CNPC will import 38 million cubic metres of Russian natural gas per year, starting from 2018.
- Asia's key indices fared well: the Nikkei 2.1% closed higher this morning.

Wednesday's supportive investment sentiment helped Europe's and America's equities to nice gains. All of the key US indices closed in the green: the Nasdaq and the Dow upped by 1% each, the S&P added 0.8%, and the Russell rose by 0.5%. Of the Dow's components, Goldman Sachs's 2% rally was the strongest one, while contracting 0.8% made AT&T the weakest constituent. Within the S&P, consumer staples (1.2%) was the most successful yesterday, followed by the energy (1.1%) and the industrial (1%) sectors.

The IBEX's 0.7% growth took the top slot in Europe's table, closely followed by DAX's and Stoxx600's 0.6% advances. The CAC upped by 0.4%, the FTSE rose by 0.3%, and the ATX edged up 0.2%.

On Wednesday, the leaders of Russia's Gazprom energy concern and China's state-run CNPC petroleum and natural gas company, in the presence of the heads of two states, signed in Shanghai a natural gas agreement, under the terms of which Russia will annually deliver 38 million cubic metres of natural gas to China for 30 years. Gazprom stocks soared 2% on the Russian stock exchange on the news. After the announcement, Gazprom's CEO, Aleksey Miller said that the USD 400 billion agreement was the biggest deal his company had ever made. He did not disclose the price, citing commercial secret. The 38 million cubic metres of natural gas makes up one-fourth of China's annual consumption.

Ending days of stagnation around 1.37, the EUR/USD sank 0.1% yesterday, in a sign of the dollar's firming.

Asia's major indices closed in the green this morning: the Nikkei upped by 2.1%, the Hang Seng went up 0.7%, the SSEC added 0.6%, and the SENSEX rose by 0.4%.

Russia's RTS closed 1.4% higher yesterday, benefiting from Gazprom's 2% rally.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,34	↑ 0	↓ -2
US 10Y	2,54	↑ 3	→ 0
JP 2Y	0,09	↑ 0	→ 0
JP 10Y	0,60	↑ 1	↑ 0
GER 2Y	0,08	↓ -1	↓ -3
GER 10Y	1,34	↓ -1	↓ -8

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	0,47	↑ 0	↓ -1
US 5Y Swap	1,61	↑ 0	↑ 0
EUR 3M Euribor	0,32	↑ 0	↓ -1
EUR 2Y Swap	0,38	↓ -1	↓ 0
EUR 5Y Swap	0,80	↑ 1	↑ 5
GB 3M Libor	0,53	↑ 0	↑ 0
GB 2Y Swap	1,13	→ 0	↓ 0
GB 5Y Swap	0,00	↓ -1	↑ 0
JP 3M Libor	0,14	→ 0	→ 0
JP 2Y Swap	0,18	↓ -1	↓ 0
JP 5Y Swap	0,31	↓ -1	↑ 0
CHF 3M Libor	0,01	→ 0	↓ -1
CHF 2Y Swap	0,02	↓ 0	↑ 2
CHF 5Y Swap	0,31	↑ 0	↑ 7

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	110,4	↓ -0,10	→ 0,00
Gold	1 293	↑ 0,13	↓ -0,22

Source: Reuters, OTP Research

From among the macroeconomic statistics published in Europe yesterday, Britain's retail sales have beaten analysts' expectations. The eurozone's current account balance increased, consumer confidence has slightly improved but remained in the negative territory.

This morning's release of China's manufacturing purchasing managers' index marks considerable improvement. On balance, the manufacturing PMIs for Germany, France and the eurozone missed analysts' expectations. After a short halt, France's reading again projects that the manufacturing sector is shrinking.

Britain is to publish the detailed figure on year-on-year economic growth in the first quarter. The USA will release home sales statistics, purchasing managers' index, and leading indicator index today.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	EZ	Mar	Current account (EUR)	20,9	20,0	13,9
	GB	Apr	Retail sales (MoM, %)	1,3	0,5	0,1
	GB	May	BOE MPC minutes			
	EZ	May	Consumer confidence (flash, YoY, point)	-7,1	-8,2	-8,7
Thursday	CN	May	HSBC manufacturing PMI (flash, point)	49,7	-	48,1
	FR	May	Markit manufacturing PMI (flash, point)	49,3	51,0	51,2
	DE	May	Markit manufacturing PMI (flash, point)	52,9	54,0	54,1
	EZ	May	Markit manufacturing PMI (flash, point)	52,5	53,2	53,4
	GB	Q1	GDP (QoQ, %)		0,8	0,8*
	US	Apr	Existing home sales (annualized, MoM)		4,7	4,6
	US	May	Markit manufacturing PMI (flash, point)		55,5	55,4
	US	Apr	Leading index (MoM, %)		0,3	0,8

Source: Reuters, OTP Research

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