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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 776	↑ 0,25	↓ -0,88
S&P500	1 936	↑ 0,31	↓ -0,68
Nasdaq100	3 776	↑ 0,31	↓ -0,53
Russell2000	1 163	↑ 0,28	↓ -1,12
Stoxx600	347	↓ -0,22	↓ -0,07
DAX	9 913	↓ -0,26	↓ -0,74
FTSE 100	6 778	↓ -0,95	↓ -1,17
CAC40	4 543	↓ -0,24	↓ -0,83
ATX	2 556	↓ -0,14	↓ -0,44
IBEX35	11 114	↑ 0,23	↑ 0,45
Nikkei 225	14 933	↓ -1,09	↓ -0,41
Hang Seng	23 328	↑ 0,04	↑ 0,31
SSEC	2 083	↑ 0,57	↑ 2,56
SENSEX	25 174	↓ -1,57	↓ -1,38
RTS	1 375	→ 0,00	↑ 1,17
Bovespa	54 807	↓ -0,54	↑ 0,98

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3549	↑ 0,05	↓ -0,32
EUR/CHF	1,2179	↓ -0,06	↓ -0,11
USD/GBP	1,6963	↑ 0,21	↑ 0,97
USD/JPY	101,77	↓ -0,27	↓ -0,73
AUD/USD	0,9408	↑ 0,10	↑ 0,57
USD/CAD	1,0842	↓ -0,11	↓ -0,55

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,2	↓ -0,4	↑ 1,5
CDS 5Y PIIS	12	↓ -0,3	↓ -13,2
CDS 5Y Italy	53	↓ -1,7	↓ -16,8
CDS 5Y Belg.	73	↑ 0,4	↓ -0,4
iTraxx 5Y EU	23,4	↓ -0,1	↑ 1,7
US TED Spread	59,3	→ 0,0	↓ -0,3

Source: Reuters, OTP Research

Summary

- Europe's indices closed lower on Friday, when US benchmarks inched higher.
- Gazprom's possible move to stop natural gas supplies to Ukraine may cause disruption in deliveries to EU member states.

Friday's trading saw uncertain investors in Europe as the intensifying Russia-Ukraine conflict, the tension in Iraq, and the weaker-than-expected US macroeconomic data have made European traders cautious. Analysts predict that the escalating crisis in Iraq may keep the Brent crude's price above 100 USD/barrel this year, as the extremist Islamist militia advancing in the northern and central regions of Iraq may reach the crude oil exporting facilities in the south of the country. London's Footsie sank nearly 1%, the DAX shed 0.3%, and the CAC40 retreated 0.2%. With crude prices rising again, Europe's oil companies were the strongest gainers on Friday; France's Total surged 0.9%, and Ophir Energy Plc rallied 1.8%.

America's indices recovered from Thursday's ailing on Friday but were far from ecstatic, given that the macroeconomic releases undershot expectations and the Iraqi crisis made investors cautious. The Nasdaq and the S&P both upped by 0.3%, and the Dow added 0.2%. The S&P's strongest constituent was the energy sector, rising 1%; while its weakest component, healthcare, slipped 0.1%.

This morning's session in Asia lacked a single direction. Japan's indices fell 0.8-1.1%, while China's benchmarks advanced 0.3-0.7%; the latter may have benefited from news reports that China's president finds this year's 7.5% economic growth attainable.

The gas dispute between Russia and Ukraine could not be resolved by Monday morning. Russia's Gazprom expected Ukraine to settle its USD 1.951 billion gas bill by 10:00 Moscow time (8:00 CET). Unless the money is received by this deadline, Gazprom will introduce upfront payment for gas supplies to Ukraine. The Russian party said it had adjourned the deadline a few times, and it was not willing to make more concessions. This also means that gas supplies to Ukraine will stop, which may cause disruptions in deliveries to the European Union's member states.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,45	↑	2	↑	7
US 10Y	2,61	↓	-4	↑	2
JP 2Y	0,09	↑	0	↓	0
JP 10Y	0,60	↓	0	↓	-2
GER 2Y	0,05	↓	-1	↑	0
GER 10Y	1,41	↓	-1	↓	-2

CENTRAL BANKS' RATES

	Rate (%)		6M Consensus		1Y Consensus
Fed Funds	0,25	⇒	0,25	⇒	0,25
ECB Rate	0,15	⇒	0,15	⇒	0,15
BOE Rate	0,50	⇒	0,50	↑	0,75
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	0,57	⇒	0	↑	5
US 5Y Swap	1,76	↑	0	↑	5
EUR 3M Euribor	0,23	↓	-1	↓	-3
EUR 2Y Swap	0,31	↓	0	↓	-2
EUR 5Y Swap	0,70	↓	-2	↑	1
GB 3M Libor	0,55	↑	2	↑	2
GB 2Y Swap	1,30	↑	15	↓	0
GB 5Y Swap	2,18	⇒	0	↓	-1
JP 3M Libor	0,13	↓	0	↓	0
JP 2Y Swap	0,17	↑	0	↓	0
JP 5Y Swap	0,29	⇒	0	↓	-1
CHF 3M Libor	0,01	⇒	0	↑	0
CHF 2Y Swap	0,01	↓	-2	↓	-1
CHF 5Y Swap	0,30	⇒	0	↑	2

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	113,2	↓	-0,20	↑	2,90
Gold	1 281	↑	0,38	↑	2,38

Source: Reuters, OTP Research

In June, the University of Michigan's consumer sentiment index fell to a three-month low of 81.2 in June; analysts had forecast 83. Markets had expected an increase in the reading because both the labour market situation and equity markets gains improved last month, which seemed causes for optimism.

Ending two consecutive months of rise and decelerating the year-on-year index to 2%, US producer prices dropped by 0.2% MoM in May. Prices declined even after adjustment for energy and food prices.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	CN	May	Urban investment (ytd, %)	17,2	17,1	17,3
	CN	May	Retail sales (yoy, %)	13	12	12
	CN	May	Industrial production (yoy, %)	8,8	8,8	8,7
	EZ	Apr	Trade balance (monthly, EUR bn)	15,7	13,9	17,1
	US	Jun	Michigan consumer confidence (preliminary, pont)	81,2	83,0	81,9
Monday	EZ	May	Inflation (final, mom, %)		-0,1	0,2
	US	Jun	New York Fed Manufacturing index (point)		15,7	19,0
	US	May	Industrial output (mom, %)		0,4	-0,6

Source: Reuters, OTP Research

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