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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 976	↑ 0,12	↑ 0,64
S&P500	1 975	↑ 0,07	↑ 0,77
Nasdaq100	3 899	↑ 0,13	↑ 1,89
Russell2000	1 200	↓ -0,53	↑ 1,59
Stoxx600	346	↑ 0,23	↑ 1,09
DAX	9 911	↑ 0,09	↑ 0,44
FTSE 100	6 816	↑ 0,20	↑ 1,23
CAC40	4 445	↓ -0,37	↓ -0,36
ATX	2 525	↑ 0,86	↑ 1,20
IBEX35	11 016	↑ 0,08	↑ 0,45
Nikkei 225	15 348	↓ -0,14	↑ 1,68
Hang Seng	23 518	↓ -0,13	↑ 1,41
SSEC	2 062	↑ 0,15	↑ 1,17
SENSEX	25 928	↑ 1,61	↑ 3,11
RTS	1 390	↑ 2,08	↑ 0,54
Bovespa	53 029	↓ -0,27	↓ -0,89

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3652	↓ -0,05	↑ 0,30
EUR/CHF	1,2142	↑ 0,02	↓ -0,16
USD/GBP	1,7163	↑ 0,09	↑ 0,81
USD/JPY	101,86	↑ 0,09	↑ 0,13
AUD/USD	0,9375	↓ -0,72	↓ -0,36
USD/CAD	1,0665	↑ 0,03	↓ -0,22

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	10,8	↓ -0,3	↓ -0,8
CDS 5Y PIIS	11	↓ -1,4	↑ 6,7
CDS 5Y Italy	80	↓ 0,0	↑ 6,8
CDS 5Y Belg.	83	↓ 0,0	↑ 1,3
iTraxx 5Y EU	27,8	↓ -1,3	↓ -0,3
US TED Spread	58,3	⇒ 0,0	↑ 0,1

Source: Reuters, OTP Research

Summary

- All US indices but the Russell saw modest gains yesterday; Europe's stock markets ended with near-stagnation.
- The ECB makes its rate decision today. Following the measures it took in June (rate cut, targeted LTROs, suspending the SMP's sterilization), it is unlikely to announce policy changes this time.
- Because Friday is holiday in America, the fresh monthly labour market statistics will be out today.

All American indices but the Russell climbed higher while European markets ended Wednesday's trading with near-stagnation. Investors' wait-and-see approach seems reasonable, given the raft of important statistics and reports due out today.

The European Central Bank is to make rate decision today. After the measures taken in June (lowering the interest rate, announcing targeted LTROs, suspending the SMP's sterilization), in the near future the staff is likely to analyse the outcome of these actions rather than make additional announcements. In all probability, the subsequent news conference will mention that monetary conditions may remain persistently loose – specifying a definite date is unlikely to have a significant effect; the market is not pricing any tightening before 2016.

Because of Friday's holiday (Independence Day), the fresh labour market statistics will be released today in the USA. The non-farm payrolls gauge is forecast to have expanded by 212,000 in June, while jobless rate may have been at 6.3%. In the light of the significant downward revision of Q1 GDP data, if the monthly growth misses expectations by at least 30-40,000, that would probably augment risk aversion.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,49	↑	2	↑	0
US 10Y	2,63	↑	6	↑	6
JP 2Y	0,07	↓	0	↓	-2
JP 10Y	0,57	↑	1	↓	-1
GER 2Y	0,02	↓	-1	↓	-1
GER 10Y	1,25	↓	0	↓	-5

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	↑	1,00
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	0,60	↑	1	↑	3
US 5Y Swap	1,77	↓	-1	↑	8
EUR 3M Euribor	0,21	↓	0	↓	0
EUR 2Y Swap	0,30	↓	-1	↓	-1
EUR 5Y Swap	0,67	↑	3	↑	3
GB 3M Libor	0,55	→	0	↑	0
GB 2Y Swap	0,00	↓	-137	↑	0
GB 5Y Swap	0,00	↓	0	↑	1
JP 3M Libor	0,13	→	0	→	0
JP 2Y Swap	0,16	↓	0	↑	0
JP 5Y Swap	0,26	↓	0	↑	1
CHF 3M Libor	0,01	→	0	↓	0
CHF 2Y Swap	0,04	↓	-1	↓	0
CHF 5Y Swap	0,30	↑	1	↑	4

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	110,9	↓	-0,28	↓	-2,01
Gold	1 323	↓	-0,33	↑	0,39

Source: Reuters, OTP Research

The National Bank of Poland left its interest rates on hold, keeping the benchmark rate at 2.5%. In the USA, ADP's employment report reveals that the number of American workers grew by 281,000 in June. Today we will see whether this excellent figure is a good harbinger of the government's employment data.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	PL	Jul	Rate decision (%)	2,5	2,5	2,5
	US	Jun	ADP employment report	281,0	208	179
	US	May	Factory orders (m-o-m, %)	-0,5	-0,3	-0,3
Thursday	EZ	May	Retail sales (mom, %)		0,2	0,4
	EZ	Jul	Rate decision (%)			0
	US	Jun	Unemployment rate (%)		6,3	6,3
	US	Jun	Non-farm payrolls (mom, ths.)		212,0	217,0

Source: Reuters, OTP Research

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