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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 443	↑ 0,08	↓ -2,59
S&P500	1 920	↑ 0,00	↓ -2,53
Nasdaq100	3 874	↓ -0,02	↓ -0,47
Russell2000	1 126	↑ 0,36	↑ 0,49
Stoxx600	329	↓ -0,88	↓ -3,30
DAX	9 130	↓ -0,65	↓ -4,83
FTSE 100	6 636	↓ -0,69	↓ -2,03
CAC40	4 207	↓ -0,61	↓ -2,44
ATX	2 242	↓ -0,58	↓ -4,17
IBEX35	10 246	↓ -1,04	↓ -6,32
Nikkei 225	15 232	↑ 0,48	↓ -1,87
Hang Seng	24 442	↓ -0,58	↓ -0,64
SSEC	2 196	↓ -0,95	↓ -0,24
SENSEX	25 590	↓ -1,23	↓ -0,60
RTS	1 161	↓ -2,56	↓ -5,03
Bovespa	56 487	↑ 0,51	↑ 1,18

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3373	↓ -0,06	↓ -0,11
EUR/CHF	1,2148	↑ 0,03	↓ -0,16
USD/GBP	1,6853	↓ -0,18	↓ -0,18
USD/JPY	102,37	↑ 0,27	↓ -0,41
AUD/USD	0,9263	↓ -0,96	↓ -0,34
USD/CAD	1,0924	↑ 0,10	↑ 0,18

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	16,4	↓ -0,5	↑ 3,0
CDS 5Y PIIS	16	↑ 9,4	↑ 17,5
CDS 5Y Italy	105	↑ 9,0	↑ 15,7
CDS 5Y Belg.	101	↑ 1,0	↑ 2,0
iTraxx 5Y EU	34,3	↑ 1,5	↑ 5,1
US TED Spread	66,7	→ 0,0	↑ 0,3

Source: Reuters, OTP Research

Summary

- Tension on Western Europe's equity markets has not eased, but most indices in the USA made small gains.
- The dollar's appreciation pushed the EUR/USD to 1.333 at one point on Wednesday.
- June's trade deficit in the USA was narrower than in the first estimate, making an upward revision of Q2 GDP more likely.

In Wednesday's sour trading sentiment, only six of the DAX's 30 constituents could climb higher, and all important markets in Western Europe ended the day with losses. America fared better, but its gains represented near-stagnation levels. The Fed has approved the Bank of America's plan to raise dividend. The financial service provider is to change dividend levels for the first time in seven years, raising it to five cents, from one. Commerzbank's Q2 profit has missed analysts' poll but exceeds the previous year's level (of EUR 40 million) 2.5 times. Cleaning up the financial institution's balance sheet has accelerated, the earnings report revealed. Deutsche Telekom ended a better-than-expected quarter, largely owing to operations in the parent company and in the USA.

Russia banned the import of food and agricultural products from countries that had imposed sanctions against it. These restrictions, the first of which barred poultry imports from the United States, may remain in effect for one year, the Kremlin said.

The EUR/USD hit a nine-month low yesterday, before the cross bounced back in the afternoon. This morning, the dollar is firming again. The sentiment in Asia was rather gloomy, and Europe was up to 0.5% in the red one hour after the opening.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,46	↓ -1	↓ -10
US 10Y	2,47	↓ -2	↓ -9
JP 2Y	0,06	↓ 0	↓ -1
JP 10Y	0,52	→ 0	↓ -2
GER 2Y	0,03	↓ 0	↓ 0
GER 10Y	1,16	↑ 2	↑ 3

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	0,24	↓ 0	↑ 0
US 2Y Swap	0,65	↑ 1	↓ -5
US 5Y Swap	1,76	↓ -2	↓ -10
EUR 3M Euribor	0,21	↓ 0	↓ 0
EUR 2Y Swap	0,32	↓ -1	↓ -1
EUR 5Y Swap	0,62	↓ -3	↓ -2
GB 3M Libor	0,56	↑ 0	↑ 0
GB 2Y Swap	0,00	↓ -130	↓ 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	0,24	↓ 0	↓ -1
CHF 3M Libor	0,02	→ 0	↑ 0
CHF 2Y Swap	0,03	↑ 0	↓ -3
CHF 5Y Swap	0,25	↑ 0	↓ -2

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	104,7	↑ 0,13	↓ -1,22
Gold	1 306	↑ 0,02	↑ 1,89

Source: Reuters, OTP Research

The factory goods orders and production data released by Germany's statistical office have missed expectations. In the United States, the June trade deficit was much narrower than analysts had forecast, and the balance without petroleum products has also improved (after months of stagnation). On its own, this development makes an upward revision of Q2 GDP data more likely (the annualized growth was 4.0% QoQ).

It is rate decision time for the Bank of England and for the ECB, later today. Given that the event will not be followed by a press briefing or announcement, there is little excitement in London. In contrast, ECB President Draghi's press conference is likely to be closely watched, as Eurostat gave account of further (and unexpected) drop in inflation (to 0.4%) last week.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	DE	Jun	Factory orders (mom, %)	-3,2	1,0	-1,6
	US	Jun	Trade balance (monthly, USD bn)	-41,5	-44,7	-44,7
Thursday	UK	Aug	Rate decision (%)		0,5	0,5
	EZ	Aug	Rate decision (%)		0,2	0,2
	DE	Jun	Industrial production (mom, %)	0,3	1,3	-1,7

Source: Reuters, OTP Research

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