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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 554	↑ 1,13	↑ 0,37
S&P500	1 932	↑ 1,15	↑ 0,33
Nasdaq100	3 888	↑ 0,78	↓ -0,53
Russell2000	1 131	↑ 1,04	↑ 0,58
Stoxx600	325	↓ -0,63	↓ -2,11
DAX	9 009	↓ -0,33	↓ -2,18
FTSE 100	6 567	↓ -0,45	↓ -1,67
CAC40	4 148	↓ -0,05	↓ -1,31
ATX	2 231	↓ -0,35	↓ -2,16
IBEX35	10 105	↑ 0,26	↓ -3,89
Nikkei 225	15 131	↑ 2,38	↓ -1,24
Hang Seng	24 628	↑ 1,22	↑ 0,18
SSEC	2 220	↑ 1,18	↓ -0,14
SENSEX	25 491	↓ -0,38	↓ -0,60
RTS	1 171	↑ 1,09	↓ -3,47
Bovespa	55 573	↓ -1,09	↓ -1,84

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3396	↓ -0,10	↓ -0,19
EUR/CHF	1,2134	↓ -0,07	↓ -0,28
USD/GBP	1,6772	↓ -0,36	↓ -0,53
USD/JPY	102,09	↑ 0,05	↓ -0,48
AUD/USD	0,9269	↓ -0,09	↓ -0,68
USD/CAD	1,0972	↑ 0,01	↑ 0,61

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	15,8	↓ -0,9	↓ -1,3
CDS 5Y PIIS	16	↑ 1,6	↑ 15,1
CDS 5Y Italy	107	↑ 5,6	↑ 17,6
CDS 5Y Belg.	106	↓ -34,3	↓ -32,3
iTraxx 5Y EU	0,0	↓ -0,3	↑ 2,8
US TED Spread	69,9	→ 0,0	↓ -0,7

Source: Reuters, OTP Research

Summary

- American markets could benefit from news on Russian troops' withdrawal from the Ukrainian border; their European had closed before this information was out.
- In the USA, chiefly utilities and consumer staples were sought after.
- European airline companies' share prices suffered from news on Russia's airspace ban.

The encouraging news flow from Ukraine reassured investors in America, thus Friday's gains enabled stock indices to work off the losses seen earlier in the week. The S&P500 closed 1.2% higher, and the Dow upped by 1.1% on Friday. In week on week terms, the S&P500 advanced 0.3%. On Friday, all of the S&P's constituents climbed higher, headed by utilities' 2% gain. The consumer staples component grew by 1.6%, largely owing to GAP's 5.9% rally. The fashion retailer's stock price shot up after its Q2 earnings figures had beaten expectations. Likewise, Nvidia profited from a better-than-expected profit report on Friday; the mobile phone chipmaker skyrocketed 8.8%. Luxury accessory maker Coach Inc. soared 5.4% on Friday. One of the big losers was News Corp; the business which left Rupert Murdoch's media empire last year contracted by 1.6% on Friday. Its management is engaged in transforming the print press division into digital one. The publisher of the Wall Street Journal and the New York Post is struggling with severe financial difficulties, as advertisers are turning away from print press, shifting to digital publications. Three in one companies within the S&P that have published their earnings report so far gave account of profit, with 64% of them surpassing market expectations.

Europe's most important benchmarks closed with small losses on Friday. Given that European markets had closed by the time news on the withdrawal of Russian troops from the Ukrainian border came out, only index futures could gain from this development. The Stoxx600 index was 0.6% down, and closed the week 2.1% lower. The DAX has subsided 11% since the high hit on 3 July. Geopolitical tensions between Russia and the West, coupled with those between Iraq and the USA, encourage risk averse behaviour. Europe's airline companies did not fare well: Air France sank 2.9%, and Lufthansa dropped 2.5% as Russia is mulling an airspace ban for international routes flying through Russia. According to Reuters, banning flights above Siberia would incur the biggest extra cost for Air France-KLM and for Lufthansa (of European companies). Finland's Nokian Renkaat tyre manufacturer plunged 6.5% on Friday, on the back of disappointing Q2 earnings figures, owing to the contraction of sales in Russia. One of Europe's biggest losers on Friday was Italy's third largest bank, Monte dei Paschi di Siena, which nosedived 8.3% as its Q2 losses had surpassed expectations. Today, Europe's stock markets may benefit from the easing of geopolitical tensions.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,45	↑	1	↓	-3
US 10Y	2,43	↑	1	↓	-7
JP 2Y	0,07	↑	0	↑	0
JP 10Y	0,52	↓	-1	↓	-2
GER 2Y	0,01	↓	-1	↓	-2
GER 10Y	1,04	↓	-6	↓	-13

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	↓	-1
US 2Y Swap	0,66	↑	2	↓	0
US 5Y Swap	1,76	↓	0	↓	-1
EUR 3M Euribor	0,20	↓	0	↓	0
EUR 2Y Swap	0,32	↓	-1	↓	-1
EUR 5Y Swap	0,64	↑	3	↓	-1
GB 3M Libor	0,56	→	0	↑	0
GB 2Y Swap	0,00	↓	-128	↑	1
GB 5Y Swap	0,00	↑	1	↑	1
JP 3M Libor	0,13	→	0	→	0
JP 2Y Swap	0,17	↑	1	↑	1
JP 5Y Swap	0,24	↑	1	↑	1
CHF 3M Libor	0,02	→	0	↑	0
CHF 2Y Swap	0,01	↓	-1	↓	-4
CHF 5Y Swap	0,23	↓	-1	↓	-5

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	104,9	↓	-0,09	↓	-0,46
Gold	1 306	↓	-0,29	↑	1,36

Source: Reuters, OTP Research

In the USA, wholesale inventories grew by 0.3% month on month in June, beating analysts' forecasts. Productivity in the second quarter was also better than had been though, growing to 2.5%, up from the 3.2% fall in the previous year.

Today, retail sales statistics will be out in the United Kingdom and in Switzerland. Analysts expect expansion in both countries, as opposed to the decline gauged in the previous month.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	US	Jun	Wholesale inventories (mom, %)	0,3	0,2	0,2
	US	Q2	Productivity (%)	2,5	1,5	-3,2
	DE	Jun	Trade balance (EUR bn, sa)	16,2	17,5	18,8
	DE	Jun	Exports (mom, sa, %)	0,9	0,5	-1,1
Monday	GB	Jul	BRC Retail trade (YoY, %)		0,55	-0,80
	CH	Jun	Retail trade (YoY, %)		0,3	-0,6

Source: Reuters, OTP Research

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