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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 080	↓ -0,25	↑ 0,24
S&P500	1 997	↓ -0,17	↑ 0,22
Nasdaq100	4 066	↓ -0,17	↑ 0,33
Russell2000	1 166	↓ -0,58	↑ 0,48
Stoxx600	341	↓ -0,66	↑ 1,05
DAX	9 463	↓ -1,12	↑ 0,65
FTSE 100	6 806	↓ -0,36	↑ 0,42
CAC40	4 366	↓ -0,66	↑ 1,70
ATX	2 290	↓ -2,09	↓ -0,54
IBEX35	10 722	↓ -1,06	↑ 1,57
Nikkei 225	15 425	↓ -0,23	↓ -1,21
Hang Seng	24 700	↓ -0,17	↓ -1,49
SSEC	2 206	↑ 0,44	↓ -1,57
SENSEX	26 638	↑ 0,29	↓ -0,60
RTS	1 219	↓ -3,27	↓ -4,40
Bovespa	60 291	↓ -1,08	↑ 3,22

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3168	↓ -0,11	↓ -0,56
EUR/CHF	1,2061	→ 0,00	↓ -0,35
USD/GBP	1,6584	↑ 0,05	↑ 0,09
USD/JPY	103,80	↑ 0,10	↓ -0,12
AUD/USD	0,9352	↑ 0,01	↑ 0,45
USD/CAD	1,0855	↓ -0,05	↓ -0,81

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,1	↑ 0,3	↑ 0,3
CDS 5Y PIIS	12	↑ 5,0	↓ -1,6
CDS 5Y Italy	82	↑ 7,2	↑ 0,7
CDS 5Y Belg.	86	↓ -6,1	↓ -8,1
iTraxx 5Y EU	30,7	↑ 1,7	↓ -0,8
US TED Spread	58,9	→ 0,0	↓ -0,5

Source: Reuters, OTP Research

Summary

- News on Ukraine put pressure on developed equity markets; the USD firmed against the euro.
- Capital markets seem to be calming down this morning.
- In today's statistics, the eurozone's preliminary inflation figure and unemployment rate will be out at 11:00; analysts expect the former to contract further.

The Ukrainian President's announcement that Russian military invasion began in Ukraine generated massive selling pressure on riskier assets' markets. Petro Poroshenko later tried to fine-tune his words, but it did not bring relief. On Thursday evening NATO published satellite images of Russian regular forces engaged in military actions on Ukrainian soil. The UN Security Council held an emergency meeting but has not decided on counter-action as yet. There is massive uncertainty as to the developed world's reaction too. At this point, nobody expects military intervention, but President Obama, in a televised speech following his conversation with Germany's Chancellor, clearly held Russia responsible, and said that President Putin had crossed a line. However, he did not say it was military aggression.

This morning, President Putin called on Ukrainian separatists to create a humanitarian corridor, and they are ready to do so. This means that the encircled Ukrainian servicemen are free to go if they leave their equipment behind.

After Thursday's substantial losses, investors seem to calm today, Asian markets edged slightly down, and Europe opened on a positive note. The dollar is advancing versus the euro, pushing the EUR/USD near 1.317 earlier this morning.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,50	↓ -1	↑ 3
US 10Y	2,34	↓ -1	↓ -7
JP 2Y	0,09	↑ 2	↑ 2
JP 10Y	0,49	↓ -1	↓ -3
GER 2Y	-0,01	↑ 0	↓ -1
GER 10Y	0,90	↓ -4	↓ -10

CENTRAL BANKS' RATES

	Rate (%)	6M Consensus	1Y Consensus
Fed Funds	0,25	→ 0,25	↑ 0,5
ECB Rate	0,15	→ 0,15	→ 0,15
BOE Rate	0,50	↑ 0,75	↑ 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	0,70	↑ 1	↑ 1
US 5Y Swap	1,73	↑ 0	↓ -5
EUR 3M Euribor	0,17	↓ 0	↓ -2
EUR 2Y Swap	0,27	↓ -1	↓ -3
EUR 5Y Swap	0,50	↑ 1	↓ -6
GB 3M Libor	0,56	↓ 0	↓ 0
GB 2Y Swap	1,21	↑ 0	↓ -1
GB 5Y Swap	1,91	↓ 0	↓ -2
JP 3M Libor	0,13	→ 0	↓ 0
JP 2Y Swap	0,16	↓ 0	↓ -1
JP 5Y Swap	0,24	↓ 0	↓ -2
CHF 3M Libor	0,02	→ 0	↓ 0
CHF 2Y Swap	0,01	→ 0	↓ -1
CHF 5Y Swap	0,20	↑ 0	↓ -3

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	102,8	↑ 0,29	↑ 0,46
Gold	1 289	↓ -0,09	↑ 0,60

Source: Reuters, OTP Research

The eurozone's confidence indices for August were unimpressive – this is another sign that the area's growth may be decelerating. In contrast, US GDP growth was revised upwards in the second estimate, to an annualized 4.2% expansion in Q2.

According to preliminary data, Germany's inflation stayed flat in August, matching expectations, as did the rate of unemployment.

In today's releases, preliminary inflation and jobless data for the whole of the eurozone will be out, as well as statistics on US households' income and spending. It is expected that the eurozone will support the assumption that business cycle indicators do not allow the reduction of the threat of deflation.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	EZ	Aug	Business Climate (points)	100,6	101,5	102,2
	EZ	Aug	Consumer confidence (point)	-10,0	-10,0	-8,4
	DE	Aug	HICP (% , yoy)	0,8	0,8	0,8
	DE	Jul	Unemployment rate (%)	6,7	6,7	6,7
	US	Q2	GDP (second estimate, annualized, %)	4,2	3,9	4,0
Friday	EZ	Aug	CPI (flash, yoy, %)		0,3	0,4
	EZ	Jul	Unemployment rate (%)		11,5	11,5
	DE	Jul	Retail sales (mom, %)	-1,4	0,1	1,3
	US	Jul	Household spending (mom, %)		-	0,2
	US	Jul	Household income (mom, %)		0,3	0,4

Source: Reuters, OTP Research

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