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# Daily Report – Global markets

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 908	↑ 1,84	↑ 0,48
S&P500	2 062	↑ 1,79	↑ 0,19
Nasdaq100	4 241	↑ 1,94	↑ 0,10
Russell2000	1 196	↑ 1,71	↓ -0,22
Stoxx600	342	↑ 2,75	↓ -0,06
DAX	9 838	↑ 3,36	↑ 0,33
FTSE 100	6 570	↑ 2,34	↑ 0,06
CAC40	4 260	↑ 3,59	↓ -0,29
ATX	2 170	↑ 1,47	↑ 0,46
IBEX35	10 115	↑ 2,26	↓ -1,60
Nikkei 225	17 198	↑ 0,18	↓ -1,45
Hang Seng	23 982	↑ 0,61	↑ 0,52
SSEC	3 287	↓ -0,18	↑ 1,63
SENSEX	27 275	↑ 1,36	↓ -0,60
RTS	812	↑ 8,78	↑ 2,70
Bovespa	49 943	↑ 0,97	↑ 2,95

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1795	↑ 0,03	↓ -1,71
EUR/CHF	1,2010	↑ 0,01	↓ -0,05
USD/GBP	1,5087	↓ -0,15	↓ -1,55
USD/JPY	119,32	↓ -0,28	↓ -0,97
AUD/USD	0,8132	↑ 0,12	↑ 0,56
USD/CAD	1,1830	↑ 0,01	↑ 0,40

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	17,0	↓ -2,3	↓ -2,2
CDS 5Y PIIS	17	↓ -0,8	↑ 1,6
CDS 5Y Italy	104	↓ -1,6	↓ -0,8
CDS 5Y Belg.	117	→ 0,0	↓ -0,1
iTraxx 5Y EU	38,4	↓ -2,8	↑ 1,2
US TED Spread	61,1	→ 0,0	↑ 1,9

Source: Reuters, OTP Research

**Summary**

- In Thursday's positive sentiment Europe's key indices rose by 2-3%.
- Trading was likewise optimistic in the USA, where indices advanced about 1%.
- Germany's factory orders fell sharper than expected and industrial production shrank in November, as opposed to the expected growth.

Wednesday's bright sentiment on developed economies' stock markets persisted; the key indices advanced further, working off the losses made earlier this year. The bright sentiment still derives from the fact that the Fed is not in a hurry to make the first rate hike – the fresh minutes suggest that it will not take place before April –, and the ECB is expected to make decision at its January 22 decision about the much expected quantitative easing. The Dow and the S&P both closed 1.8% higher; the tech sector could boost its impetus. All of the S&P's ten constituents went up, particularly materials (+2.4%), energy (+2.3%) and the tech sectors (+2.2%). MeadWestvaco jumped 5.8% higher, as the packaging company had announced to spin off its chemical business. Yahoo! soared 3.4%, while UnitedHealth Group and DuPont both upped more than 3%. In the energy sector, QEP Resources (5.2%) and Valero Energy Corp. (5.7%) rallied. Chevron grew by 2.3%, and Exxon Mobil added 1.7%. Transportation companies also excelled: the Dow Jones Transportation Average index advanced 2.2%, Union Pacific, Southwest Airlines and FedEx all went up more than 2.3%.

Western Europe's stock markets marched higher too: the indices of Italy, France, Germany and Portugal expanded by more than 3%. The Stoxx600 index also gained 3%, chiefly benefiting from the soaring chemical, retail and auto industries; health care, telecommunications, construction and tech sectors all outperformed. Greece missed out on the general up moves: it reversed during the day and closed 2.1% in the red. In corporate headlines, Tesco surged 15%, and announced plans to close shops. Pernod Ricard leapt 5.3% higher as the Bank of America recommended it to Buy.

Asia' markets were mostly optimistic, only the SSEC edged down this morning.

Yesterday the dollar did not firm against the euro. ING Groep, which Bloomberg found the most accurate FX rate forecaster based on 2014 polls, expects the euro to weaken further this year; its analysts cannot rule out reaching parity in the long term, by 2016. Crude price inched up: the Brent crept 0.2% higher yesterday, while the WTI stayed flat after rising 1.5% on Wednesday.

**GOV'T BOND MARKET**

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,61	↓	-1	↓	-10
US 10Y	2,02	↑	4	↓	-18
JP 2Y	-0,02	↑	0	↓	-2
JP 10Y	0,29	↓	-1	↑	29
GER 2Y	-0,11	↓	-1	↓	-11
GER 10Y	0,49	↑	2	↑	49

**CENTRAL BANKS' RATES**

	Rate (%)		6M Consensus		1Y Consensus
Fed Funds	0,25	↑	0,5	↑	1,00
ECB Rate	0,05	→	0,05	→	0,05
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	0,25	↑	0	↓	0
US 2Y Swap	0,83	↑	2	↓	-3
US 5Y Swap	1,60	↑	1	↓	-11
EUR 3M Euribor	0,07	→	0	↓	-1
EUR 2Y Swap	0,17	↑	0	↑	1
EUR 5Y Swap	0,34	↑	0	↑	2
GB 3M Libor	0,56	↓	0	↓	0
GB 2Y Swap	0,00	↑	2	↑	1
GB 5Y Swap	1,34	↓	-1	↑	0
JP 3M Libor	0,11	→	0	↓	0
JP 2Y Swap	0,13	↓	0	↑	1
JP 5Y Swap	0,20	↓	-1	↑	0
CHF 3M Libor	-0,10	↓	-1	↓	-3
CHF 2Y Swap	-0,23	↓	0	↓	-7
CHF 5Y Swap	-0,04	↑	0	↓	-7

**COMMODITIES**

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	51,1	↑	0,22	↓	-9,48
Gold	1 213	↑	0,32	↑	2,00

Source: Reuters, OTP Research

In Thursday's meeting, the Bank of England left its interest rates and asset purchases in place.

November's reading of Germany's factory goods orders missed expectations by a large margin as it fell 2.4% since the previous month, wrong-footing analysts who had forecast growth. In the eurozone's largest economy, industrial output also shrank, with the energy sector's output contracting most conspicuously (-2.4% in a month); construction output also dropped (-0.6%), while manufacturing rose only by 0.3% month on month.

Today's most important market-moving data will come from the USA; the labour market report for December may give account of decelerating job creation and shrinking unemployment rate.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	DE	Nov	Industrial orders (mom, %)	-2,4	-0,7	2,5
	EZ	Nov	Retail sales (mom, %)	0,1	0,1	0,4
	GB	Jan	Rate decision (%)	0,5	0,5	0,5
	US	weekly	Initial jobless claims ('000)	294	290	298
	US	weekly	Continued jobless claims ('000)	2 452	2 368	2 353
Friday	DE	Nov	Industrial output (mom, %)	-0,1	0,4	0,6
	GB	Nov	Construction output (yoy, %)		6,9	0,7
	GB	Nov	Industrial output (yoy, %)		1,6	1,1
	US	Dec	Non-farm payroll ('000)		240	321
	US	Dec	Manufacturing payroll ('000)		15	28
	US	Dec	Unemployment rate (%)		5,7	5,8
	US	Nov	Wholesale inventories (mom, %)		0,3	0,4

Source: Reuters, OTP Research

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