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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 512	⇒ 0,00	↓ -0,73
S&P500	2 019	⇒ 0,00	↓ -0,44
Nasdaq100	4 142	⇒ 0,00	↓ -0,67
Russell2000	1 177	⇒ 0,00	↓ -0,34
Stoxx600	353	↑ 0,22	↑ 3,92
DAX	10 242	↑ 0,73	↑ 4,71
FTSE 100	6 586	↑ 0,54	↑ 1,29
CAC40	4 395	↑ 0,35	↑ 3,94
ATX	2 148	↑ 0,22	↑ 0,13
IBEX35	10 158	↑ 1,18	↑ 3,67
Nikkei 225	17 366	↑ 2,07	↑ 1,63
Hang Seng	23 885	↑ 0,62	↓ -1,37
SSEC	3 167	↑ 1,62	↓ -2,11
SENSEX	28 262	↑ 0,50	↓ -0,60
RTS	767	↓ -0,42	↑ 1,31
Bovespa	47 758	↓ -2,57	↓ -0,59

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1569	↓ -0,30	↓ -1,72
EUR/CHF	1,0209	↑ 0,04	↓ -15,00
USD/GBP	1,5110	↓ -0,25	↓ -0,32
USD/JPY	118,41	↑ 0,73	↑ 0,42
AUD/USD	0,8181	↓ -0,37	↑ 0,20
USD/CAD	1,1966	↑ 0,24	↑ 0,09

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	21,0	↓ -1,4	↑ 3,4
CDS 5Y PIIS	21	↓ -6,5	↓ -15,3
CDS 5Y Italy	92	↓ -10,1	↓ -22,7
CDS 5Y Belg.	99	↓ -0,1	↓ -1,2
iTraxx 5Y EU	37,2	↓ -0,9	↓ -3,4
US TED Spread	58,3	⇒ 0,0	⇒ 0,0

Source: Reuters, OTP Research

Summary

- Europe's equity markets are optimistically looking forward to the ECB's Thursday meeting. The DAX hit a new record high.
- US markets were closed on Martin Luther King Day.
- The fresh better-than-expected macroeconomic statistics from China are driving markets higher; indices advanced in both Asia and Europe this morning.

US markets were closed to celebrate Martin Luther King Day – on an uneventful day, Europe picked up, recovering from the selloff at the end of last week. The DAX hit a new high; there was no single winner, investors bought 23 of the 30 components purposely. All of Western Europe's key indices achieved gains yesterday.

The CHF's weakening helped the EUR/CHF return to the 1.02 mark hit last Friday. This morning the cross started to ascend. Meanwhile the EUR/USD slightly increased, but it sank below 1.16 this morning. Markets expect the ECB to make a landmark announcement on Thursday; the EUR/USD is likely to produce strong moves after the interest rate decision and the subsequent press conference. Crude oil price did not stay above the 50 line, this morning the Brent traded around 48 USD/barrel.

The cheering macrodata from China and Thursday's optimism in Europe have lifted Asia's stock markets: Tokyo went up 2.1%, Shanghai added 1.8%, and Hong Kong upped by 0.9%. Western Europe is following suit: most equity markets gained up to 0.5% in the early hours of trading.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,47	↑	5	↓	-8
US 10Y	1,80	↑	8	↓	-11
JP 2Y	-0,03	↓	-1	↑	0
JP 10Y	0,20	↓	-4	↓	-7
GER 2Y	-0,15	↑	1	↓	-3
GER 10Y	0,46	↓	-1	↓	-3

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	-0,75	↑	0,00	↑	0,00

MONEY MARKET

	Rate (%)		Daily chg (bp)		Weekly chg (bp)
US 3M Libor	0,26	↑	0	↑	0
US 2Y Swap	0,69	↑	3	↓	-4
US 5Y Swap	1,40	↓	0	↓	-7
EUR 3M Euribor	0,06	↓	0	↓	-2
EUR 2Y Swap	0,11	↓	0	↓	-5
EUR 5Y Swap	0,28	↓	-1	↓	-6
GB 3M Libor	0,56	↑	0	↓	0
GB 2Y Swap	0,00	↓	-1	↓	-2
GB 5Y Swap	0,00	↑	1	↓	-6
JP 3M Libor	0,10	↓	0	↓	0
JP 2Y Swap	0,11	↑	1	↓	-2
JP 5Y Swap	0,16	↑	1	↓	-6
CHF 3M Libor	-0,43	↓	-5	↓	-31
CHF 2Y Swap	-0,67	↓	-2	↓	-44
CHF 5Y Swap	-0,52	↑	0	↓	-45

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	48,6	↓	-0,49	↑	4,31
Gold	1 276	↓	-0,05	↑	3,71

Source: Reuters, OTP Research

Japan's industrial production in November declined year on year, in line with expectations. The year ended well in China: industrial output in December and the year/year growth in retail sales have beaten analysts' consensus, while the deceleration in investment growth seems to come to a halt. The latter is in line with the intensifying lending activity seen after November's interest rate cut.

Thus it is no wonder Q4 GDP figure was slightly better than had been thought. Even though the stagnant year-on-year index of 7.3%, signifies 7.4% growth for the full year (the government's target was 7.5%, and the fact is a 24-year low), and surprisingly the quarter-on-quarter index fell hugely since the third quarter to much lower than had been thought, the quarter-on-quarter indicators signify the stabilization of economic growth. In the light of this, the pressure to quickly implement further (fiscal or monetary) stimuli has eased.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	JP	nov.	Industrial output (revised, yoy, %)	-0,5	-	-0,6
	EZ	nov.	Current account (monthly, bn EUR)	18,1	21,3	19,5
Tuesday	CN	dec.	Urban investment (yoy, %)	15,7	15,8	15,8
	CN	dec.	Industrial production (yoy, %)	7,9	7,4	7,2
	CN	dec.	Retail sales (yoy, %)	11,9	11,7	11,7
	CN	Q4	GDP (yoy, %)	7,3	7,2	7,3
	CN	Q4	GDP (qoq, %)	1,5	1,7	1,9
	DE	jan.	ZEW economic sentiment index (point)		40,0	34,9

Source: Reuters, OTP Research

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