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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 387	↓ -1,65	↓ -0,73
S&P500	2 030	↓ -1,34	↑ 0,35
Nasdaq100	4 166	↓ -2,58	↓ -0,14
Russell2000	1 198	↓ -0,17	↑ 2,71
Stoxx600	369	↓ -0,99	↑ 3,58
DAX	10 629	↓ -1,57	↑ 3,62
FTSE 100	6 812	↓ -0,60	↑ 2,89
CAC40	4 624	↓ -1,09	↑ 4,01
ATX	2 224	↓ -1,26	↑ 2,46
IBEX35	10 599	↓ -0,91	↑ 3,06
Nikkei 225	17 796	↑ 0,15	↑ 2,98
Hang Seng	24 889	↑ 0,33	↑ 2,20
SSEC	3 307	↓ -1,38	↓ -0,51
SENSEX	29 571	↑ 1,00	↓ -0,60
RTS	784	↑ 0,28	↑ 3,60
Bovespa	48 591	↑ 0,03	↓ -1,29

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1343	↓ -0,33	↓ -2,28
EUR/CHF	1,0234	↓ -0,37	↑ 2,53
USD/GBP	1,5196	↑ 0,78	↑ 0,36
USD/JPY	117,95	↑ 0,08	↑ 0,02
AUD/USD	0,7997	↑ 0,82	↓ -1,08
USD/CAD	1,2424	↑ 0,20	↑ 0,69
USD/RUB	67,61	↓ -0,16	↑ 3,51

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	17,2	↑ 1,7	↓ -2,7
CDS 5Y PIIS	17	↑ 1,1	↓ -9,3
CDS 5Y Italy	82	↑ 0,8	↓ -16,0
CDS 5Y Belg.	83	↓ -6,0	↓ -4,5
iTraxx 5Y EU	32,7	↑ 2,1	↓ -4,2
US TED Spread	53,6	→ 0,0	↓ -1,0

Source: Reuters, OTP Research

Summary

- A string of disappointing corporate earnings reports and a macroeconomic release dragged advanced markets' key stock indices down on Tuesday.
- The greenback's weakening led the EUR/USD to 1.136 on Tuesday.

Under the weight of dissatisfying corporate earnings reports and a macroeconomic publication, the key indices of developed economies suffered losses yesterday. Caterpillar's quarterly earnings, which gave account of USD 50 billion revenue and USD 4.75 EPS, missing the expectations of USD 50 billion revenue and the USD 6.67 EPS, came with disheartening forecasts for 2015 owing to the plunging commodity prices. In another pre-market-hours report, DuPont also slashed its 2015 projections (to USD 4-4.2 EPS, down from earlier estimates of USD 4.46), because of the strengthening US dollar. Procter & Gamble's concluded quarter, with USD 0.82 EPS instead of the estimated 1.13, was an utter disappointment for investors. But Microsoft's share price plunged sharper than any of the above. The software giant's earnings, published on Monday evening, came with a disappointing 5% growth in corporate revenue, causing the stocks to open 10% lower on Tuesday morning.

On top of that, US durable goods orders contracted by 3.4% month/month, wrong-footing analysts who had hoped 0.45% growth. This setup opened the way for losses on major stock markets. Europe's key indices also sank, dropping 0.6-1.6%. Asia's stock markets closed mostly in the positive territory this morning.

Apple's earnings report, released after Tuesday's market close, surpassed all expectations. In the fourth quarter of 2014, 75 million iPhones were sold, far exceeding expectations of 66 million, while its EPS was USD 3.06, as opposed to the estimated USD 2.6.

The dollar's weakening pushed the EUR/USD to 1.136 yesterday.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,51	↓	-1	↑	1
US 10Y	1,82	↓	-1	↑	3
JP 2Y	0,00	↑	1	↑	3
JP 10Y	0,26	↑	3	↑	4
GER 2Y	-0,15	↑	2	↑	2
GER 10Y	0,39	↑	3	↓	-6

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	0,73	↑	0	↑	3
US 5Y Swap	1,46	↑	0	↑	1
EUR 3M Euribor	0,06	↑	0	→	0
EUR 2Y Swap	0,12	↑	0	↓	0
EUR 5Y Swap	0,31	↓	0	↓	-2
GB 3M Libor	0,57	↓	0	↑	0
GB 2Y Swap	0,00	↑	1	↑	2
GB 5Y Swap	0,00	↑	1	↑	3
JP 3M Libor	0,10	↑	1	↑	1
JP 2Y Swap	0,13	→	0	↑	2
JP 5Y Swap	0,22	↑	1	↑	3
CHF 3M Libor	-0,96	↓	-1	↓	-40
CHF 2Y Swap	-0,71	↑	15	↑	2
CHF 5Y Swap	-0,57	↑	10	↓	-1

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	49,2	↓	-0,89	↑	0,27
Gold	1 288	↓	-0,34	↓	-0,41

Source: Reuters, OTP Research

In the USA, the December reading of durable goods orders was a far cry from expectations. Instead of growing by 0.5% as thought, the month-on-month index fell 3.4%, printing the second disappointing, negative figure after November's reading.

On the other hand, the consumer confidence index and new home sales statistics were pleasing.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	UK	Q4	GDP (qoq, %)	2,7	2,8	2,6
	US	dec.	Durable goods (mom, %)	-3,4	0,5	-0,9
	US	nov.	CaseShiller 20 (yoy, %)	4,3	4,3	4,5
	US	jan.	Consumer confidence (point)	102,9	95,1	92,6
	US	dec.	New home sales (ann, ths)	481,0	450,0	438,0
Wednesday	US	jan.	Rate decision (%)		0,25	0,25

Source: Reuters, OTP Research

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