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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 191	↓ -1,13	↓ -2,07
S&P500	2 002	↓ -1,35	↓ -1,47
Nasdaq100	4 140	↓ -0,60	↓ -1,23
Russell2000	1 175	↓ -1,89	↓ -1,28
Stoxx600	369	↑ 0,10	↑ 3,06
DAX	10 711	↑ 0,78	↑ 4,00
FTSE 100	6 826	↑ 0,21	↑ 1,46
CAC40	4 611	↓ -0,29	↑ 2,81
ATX	2 194	↓ -1,33	↑ 0,10
IBEX35	10 457	↓ -1,34	↑ 1,18
Nikkei 225	17 606	↓ -1,06	↑ 1,60
Hang Seng	24 599	↓ -1,06	↑ 0,31
SSEC	3 264	↓ -1,27	↓ -2,38
SENSEX	29 559	↓ -0,04	↓ -0,60
RTS	765	↓ -2,32	↓ -2,14
Bovespa	47 695	↓ -1,85	↓ -3,54

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1290	↑ 0,04	↓ -0,66
EUR/CHF	1,0261	↑ 0,41	↑ 3,64
USD/GBP	1,5133	↓ -0,41	↑ 0,83
USD/JPY	117,74	↑ 0,18	↓ -0,62
AUD/USD	0,7867	↓ -0,24	↓ -1,94
USD/CAD	1,2523	↓ -0,09	↑ 1,16
USD/RUB	68,00	↑ 0,64	↑ 6,64

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	20,4	↑ 3,2	↑ 1,6
CDS 5Y PIIS	20	↑ 4,6	↓ -5,0
CDS 5Y Italy	86	↑ 5,8	↓ -11,0
CDS 5Y Belg.	87	↑ 0,0	↑ 1,0
iTraxx 5Y EU	38,2	↑ 1,3	↓ -1,4
US TED Spread	54,9	→ 0,0	↑ 0,1

Source: Reuters, OTP Research

Summary

- US stock indices closed lower yesterday.
- The downward move may stem from the Fed's positive announcement as investors probably assume that the first interest rate hikes may come soon.
- The EUR/USD traded below 1.13 this morning.

Europe's markets changed little yesterday, while their American peers suffered losses.

The Fed decision makers' meeting was Wednesday's most important development. In line with expectations, interest rates were left on hold. The subsequent communiqué found labour market developments and the intensifying economic growth very encouraging. In central bankers' view, the lower inflation resulting from the falling energy prices will not be permanent.

The Fed may shortly begin tightening its monetary policy; hiking interest rates may start this year. The positive tone suggests that interest rate hikes may be imminent; this may have been behind the decline on stock markets. The path the Fed is facing is very different from that of the European Central Bank. The ECB's government bond purchases, starting in March, will ease monetary conditions. The expectation that the two central banks follow different policies made the greenback stronger in recent months.

Europe opened with losses, continuing the direction of Wednesday's US trading.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,63	↑	11	↑	11
US 10Y	1,73	↓	-9	↓	-14
JP 2Y	0,00	↑	1	↑	3
JP 10Y	0,27	↑	2	↑	2
GER 2Y	-0,14	↑	1	↑	1
GER 10Y	0,40	↑	1	↓	-5

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	0,25	↓	0	↓	0
US 2Y Swap	0,72	↑	2	↓	-3
US 5Y Swap	1,39	↑	2	↓	-10
EUR 3M Euribor	0,05	↓	0	↓	0
EUR 2Y Swap	0,11	↓	-1	↓	-1
EUR 5Y Swap	0,27	↓	-4	↓	-4
GB 3M Libor	0,56	↓	0	↑	0
GB 2Y Swap	0,86	↓	-1	↑	1
GB 5Y Swap	1,24	↑	0	↑	5
JP 3M Libor	0,10	↓	0	↑	0
JP 2Y Swap	0,13	↓	0	↑	1
JP 5Y Swap	0,23	↑	0	↑	5
CHF 3M Libor	-0,84	↑	13	↓	-18
CHF 2Y Swap	-0,73	↓	0	↑	17
CHF 5Y Swap	-0,57	↑	0	↑	11

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	48,6	↑	0,27	↑	0,16
Gold	1 279	↓	-0,42	↓	-1,71

Source: Reuters, OTP Research

Today's releases include US housing market statistics. Germany is to release the preliminary rate of inflation for January this afternoon; analysts expect declining year-on-year price index. In addition, the eurozone's business climate index will see the light of day.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	US	jan.	GDP (qoq, %)		0,3	0,3
Thursday	US	dec.	Pending home sales (mom, %)		0,50	0,80
	DE	jan.	CPI (preliminary, yoy, %)		-0,1	0,2
	EZ	jan.	Business climate (points)		0,2	0,0

Source: Reuters, OTP Research

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