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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 924	↑ 0,46	↑ 0,01
S&P500	2 088	↑ 0,38	↓ -0,26
Nasdaq100	4 402	↑ 0,50	↓ -0,29
Russell2000	1 226	↑ 0,50	↓ -0,21
Stoxx600	389	↑ 0,08	↓ -1,80
DAX	11 408	↑ 0,51	↓ -0,91
FTSE 100	6 887	↓ -0,67	↓ -0,39
CAC40	4 967	↓ -0,29	↓ -1,29
ATX	2 615	↑ 1,71	↓ -0,58
IBEX35	11 180	↑ 0,15	↓ -1,94
Nikkei 225	19 379	↑ 0,45	↓ -0,78
Hang Seng	27 529	↑ 0,88	↓ -2,15
SSEC	4 124	↑ 0,29	↓ -7,14
SENSEX	26 599	↓ -0,44	↓ -0,60
RTS	1 061	↓ -0,51	↑ 3,58
Bovespa	56 921	↓ -0,32	↑ 1,55

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1265	↓ -0,76	↓ -0,10
EUR/CHF	1,0382	↓ -0,12	↓ -0,93
USD/GBP	1,5243	→ 0,00	↑ 0,69
USD/JPY	119,92	↑ 0,16	↓ -0,20
AUD/USD	0,7906	↑ 0,03	↑ 0,73
USD/CAD	1,2108	↓ -0,14	↓ -0,41
USD/RUB	50,45	↑ 0,85	↓ -2,56

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	15,1	↓ 0,0	↑ 0,6
CDS 5Y PIIS	15	↓ -4,2	↓ -6,0
CDS 5Y Italy	87	↓ -5,6	↓ -9,1
CDS 5Y Belg.	108	→ 0,0	↓ -0,8
iTraxx 5Y EU	36,3	↓ -0,6	↑ 1,0
US TED Spread	61,9	→ 0,0	↓ -0,7

Source: Reuters, OTP Research

Summary

- US stock markets were optimistic ahead of Friday's labour market report but uncertainty weighed on some European benchmarks.
- Long-term yields grew further in Europe; Germany's bund yield rose by 9bp yesterday.
- The Brent oil slipped 3.4% on Thursday and the decline continued today.

Thursday's trading on advanced stock markets was relatively optimistic: America's indices ended in the green and Western Europe closed mixed. Britain and France saw losses; yesterday's parliamentary election represented a major uncertainty factor for the FTSE. The election, the outcome of which was said to be the less predictable since WW2, ended with Tory victory, thus the sterling was seen firming this morning as was the FTSE. The Stoxx600 index inched up merely 0.1% yesterday, commodity stock prices sank owing to the fall in oil and metal prices, while tourism and airline companies took off. Ryanair soared 2.2%, while the Seadrill production services company plunged 8.2%, and the Arcelormittal steel giant' dived 2.5% owing to lowering its 2015 profit forecast. The DAX reversed the morning's 1.6% loss and closed 0.5% higher, benefiting from SAP's and Volkswagen's gains. Tech names had a good day, Dialog Semiconductor skyrocketed 10%. The wind turbines manufacturer Gamesa tripled its profit; its share price rallied 10% on the report.

In the benign sentiment America's key indices gained around 0.5%. The strong fall in oil price hit energy names hard; the S&P's sector index closed 1.1% down yesterday. Many of the biggest oil producers suffered above-3% losses. However, the tech sector and retail picked up. Alibaba shot up 7.5% owing to a 45% jump in Q1 revenue. Alibaba co-owner Yahoo advanced 5.3%. Microsoft, Google and Motorola all took their share in the tech rally. Air cargo companies profited from the falling oil price: United Continental added more than 5%, while American Airlines and Delta Airlines went up 3% each.

The weekly jobless statistics came in better than expected but the real ammo for today's trading may be the employment report for April.

Asia's stock markets closed mixed this morning: the Nikkei225, the Hang Seng and the SSEC went up, while India's SENSEX sank deeper.

Long-term bond yields continue their rise: the 10Y German bund yield rose 9 bps yesterday and by 33bp week/week.

The Brent crude slid 3.4% yesterday, and a 0.5% decline followed this morning.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,64	↔ 0	↑ 5
US 10Y	2,18	↓ -6	↑ 13
JP 2Y	0,02	↓ 0	↑ 1
JP 10Y	0,43	↑ 4	↑ 9
GER 2Y	-0,22	↑ 0	↑ 1
GER 10Y	0,61	↑ 9	↑ 33

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	↔ -0,75	↔ -0,75

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
US 3M Libor	0,28	↑ 0	↓ 0
US 2Y Swap	0,86	↓ -1	↑ 4
US 5Y Swap	1,65	↓ -3	↑ 3
EUR 3M Euribor	-0,01	↓ 0	↓ 0
EUR 2Y Swap	0,08	↓ -1	↓ -2
EUR 5Y Swap	0,38	↓ -2	↑ 10
GB 3M Libor	0,57	↑ 0	↔ 0
GB 2Y Swap	1,01	↓ -3	↑ 1
GB 5Y Swap	1,57	↓ -2	↑ 1
JP 3M Libor	0,10	↔ 0	↑ 1
JP 2Y Swap	0,14	↓ -1	↑ 1
JP 5Y Swap	0,28	↓ -2	↑ 1
CHF 3M Libor	-0,79	↔ 0	↑ 1
CHF 2Y Swap	0,00	↑ 65	↑ 67
CHF 5Y Swap	0,00	↑ 17	↑ 28

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	65,2	↓ -0,53	↓ -1,91
Gold	1 185	↑ 0,03	↑ 0,55

Source: Reuters, OTP Research

Germany's factory orders grew slower in March than had been estimated. Industrial production contracted by 0.5% in March, missing expectations (of 0.4% growth).

A smaller-than-expected number of Americans filed for initial jobless claims in the USA last week, and the continued claims figure also dropped. Today's release of April's non-farm payroll will give a more comprehensive picture of America's labour market.

China's April exports somewhat missed forecasts: the gauge fell 6% in year/year terms. This is yet another signal that China's economy is slowing.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	DE	Mar	Retail sales (yoy, %)	0,9	1,5	-0,9
	CZ	Mar	Retail sales (mom, %)	6,2	6,3	4,5
	CZ	May	Repo rate (%)	0,05	0,1	0,05
	US	weekly	Initial jobless claims ('000)	265	280	262
	CZ	weekly	Continued jobless claims ('000)	2 228	2 280	2 253
Friday	CN	Apr	Export (yoy, %)	-6,4	2,4	-15,0
	CN	Apr	Import (yoy, %)	-16,2	-12,0	-12,7
	DE	Mar	Industrial output (yoy, %)	-0,5	0,4	0,2
	US	Apr	Nonfarm payroll ('000)		224	126
	US	Apr	Manufacturing payroll ('000)		5	-1
	US	Apr	Unemployment rate (%)		5,4	5,5
	US	Mar	Wholesale inventories (mom, %)		0,3	0,3

Source: Reuters, OTP Research

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