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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 299	↑ 0,14	↑ 0,92
S&P500	2 129	↑ 0,30	↑ 0,83
Nasdaq100	4 513	↑ 0,42	↑ 1,67
Russell2000	1 258	↑ 1,09	↑ 1,98
Stoxx600	398	↑ 0,41	↓ -1,22
DAX	11 594	↑ 1,29	↓ -1,94
FTSE 100	6 969	↑ 0,12	↓ -0,99
CAC40	5 012	↑ 0,37	↓ -0,68
ATX	2 638	↓ -1,64	↑ 1,04
IBEX35	11 345	↑ 0,24	↓ -1,12
Nikkei 225	20 026	↑ 0,68	↑ 2,05
Hang Seng	27 642	↑ 0,19	↑ 0,86
SSEC	4 385	↑ 2,38	↓ -0,36
SENSEX	27 687	↑ 1,33	↓ -0,60
RTS	1 075	↑ 0,07	↑ 1,44
Bovespa	56 204	↓ -1,82	↑ 0,09

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1314	↓ -1,21	↑ 0,60
EUR/CHF	1,0479	↓ -0,06	↑ 0,34
USD/GBP	1,5647	↓ -0,47	↓ -0,11
USD/JPY	119,99	↑ 0,01	↑ 0,12
AUD/USD	0,7990	↑ 0,08	↑ 0,24
USD/CAD	1,2145	↓ -0,11	↑ 1,09
USD/RUB	49,16	↓ -0,13	↓ -1,58

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,7	↑ 0,4	↓ -1,1
CDS 5Y PIIS	13	↑ 1,7	↑ 0,2
CDS 5Y Italy	84	↑ 2,3	↓ -3,3
CDS 5Y Belg.	102	↑ 2,6	↓ -2,2
iTraxx 5Y EU	32,5	↑ 0,8	↑ 0,6
US TED Spread	60,4	→ 0,0	↓ -0,3

Source: Reuters, OTP Research

Summary

- Developed equity markets started the week positively.
- Encouraging news on Greek talks, and the possibility that the Fed's interest rate hike may be put off added to investment appetite in Europe and in the USA.
- The dollar has been gaining ground against the euro since Friday evening; the EUR/USD sank below 1.119 by this morning.

Greece's Finance Minister said his country may reach partial agreement in a week's time with international lenders about a lifeline that could solve Greece's funding at least until August. Greece's debts that cannot be self-financed and expire by the end of summer amount to EUR 6.7 billion. The current negotiations discuss the conditions of the last tranche (roughly EUR 7.2 billion) of the second bailout package.

Meanwhile in the USA, the unfavourable statistics on personal consumption gave ground to assumptions that the interest rate hikes may be postponed again. As a result, the key stock market indices went up, albeit modestly. The Russell2000 upped 1.1%, almost as much as the DAX did. In Frankfurt, Deutsche Telekom and VW were the winners of the day, rallying 3.5% each; pharmaceuticals also saw healthy gains: Bayer advanced 2.8%, Fresenius surged 3.2%, and Merck swelled 2%. Paris and London were less enthusiastic. The Vienna stock exchange sank into the red after OMV reported significantly sliding revenue and profit owing to the falling oil price.

This morning's trading in Asia was fairly bright, with the Shanghai stock exchange outperforming again. The dropping EUR/USD made a short visit below 1.2 this morning. Simultaneously, crude oil price is sliding and the Brent is nearing 65 USD/barrel again. The slump in crude prices is supported by the dollar's firming and fresh reports that Saudi Arabia maintains its production at record highs.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,58	↑	5	↓	-3
US 10Y	2,23	↑	8	↓	-5
JP 2Y	-0,01	↑	0	↓	-1
JP 10Y	0,39	↑	1	↓	-2
GER 2Y	-0,19	↓	0	↑	2
GER 10Y	0,65	↓	-3	↑	12

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	0,82	↑	0	↓	-2
US 5Y Swap	1,63	↓	-1	↓	-3
EUR 3M Euribor	-0,01	↓	0	↓	0
EUR 2Y Swap	0,10	↓	-1	↓	0
EUR 5Y Swap	0,41	↑	0	↓	-2
GB 3M Libor	0,57	→	0	↓	0
GB 2Y Swap	0,00	↑	2	↓	-2
GB 5Y Swap	1,58	↑	1	↓	-5
JP 3M Libor	0,10	↓	0	↓	0
JP 2Y Swap	0,13	↑	1	↓	-2
JP 5Y Swap	0,25	↑	1	↓	-5
CHF 3M Libor	-0,79	→	0	→	0
CHF 2Y Swap	-0,68	→	0	↓	-2
CHF 5Y Swap	-0,30	→	0	↓	-4

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	66,2	↓	-0,18	↓	-1,06
Gold	1 220	↓	-0,40	↑	2,29

Source: Reuters, OTP Research

The contraction in Japan's industrial production accelerated in March; and today's release of Q1 GDP data are expected to signify similar growth as in Q4.

Today's noteworthy releases are the ZEW business confidence index, UK inflation in April, as well as fresh data on US new home sales.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	JP	Mar	Industrial output (rev., MoM, %)	-0,8	-	-0,3
Tuesday	DE	May	ZEW economic sentiment (point)		49,0	53,3
	UK	Apr	CPI (yoy, %)		0,0	0,0
	US	Apr	Building permits (ann, ths)		1 060	1 042
	US	Apr	Housing starts (ann, ths)		1 019	926
	JP	Q1	GDP (qoq, %)		0,4	0,4

Source: Reuters, OTP Research

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