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Daily Report – Global markets

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|-------------|--------|----------------|-----------------|
| DJIA | 18 312 | ↑ 0,07 | ↑ 1,28 |
| S&P500 | 2 128 | ↓ -0,06 | ↑ 1,43 |
| Nasdaq100 | 4 504 | ↓ -0,20 | ↑ 1,88 |
| Russell2000 | 1 256 | ↓ -0,15 | ↑ 1,90 |
| Stoxx600 | 405 | ↑ 1,68 | ↑ 0,50 |
| DAX | 11 853 | ↑ 2,23 | ↑ 1,06 |
| FTSE 100 | 6 995 | ↑ 0,38 | ↑ 0,51 |
| CAC40 | 5 117 | ↑ 2,09 | ↑ 0,76 |
| ATX | 2 643 | ↑ 0,19 | ↑ 0,17 |
| IBEX35 | 11 498 | ↑ 1,35 | ↑ 0,20 |
| Nikkei 225 | 20 216 | ↑ 0,95 | ↑ 2,28 |
| Hang Seng | 27 608 | ↓ -0,31 | ↑ 1,32 |
| SSEC | 4 492 | ↑ 1,69 | ↑ 2,66 |
| SENSEX | 27 646 | ↓ -0,15 | ↓ -0,60 |
| RTS | 1 058 | ↓ -1,66 | ↑ 0,49 |
| Bovespa | 55 499 | ↓ -1,26 | ↓ -1,04 |

FX MARKET

| | Close | Daily chg. (%) | Weekly chg. (%) |
|---------|--------|----------------|-----------------|
| EUR/USD | 1,1147 | ↓ -1,50 | ↓ -1,86 |
| EUR/CHF | 1,0443 | ↓ -0,34 | ↑ 0,19 |
| USD/GBP | 1,5508 | ↓ -0,89 | ↓ -1,49 |
| USD/JPY | 120,86 | ↑ 0,14 | ↑ 1,44 |
| AUD/USD | 0,7925 | ↑ 0,15 | ↓ -2,28 |
| USD/CAD | 1,2225 | ↓ -0,05 | ↑ 2,27 |
| USD/RUB | 49,57 | ↑ 0,20 | ↑ 0,64 |

RISK INDICATORS

| | Close | Daily chg (bp) | Weekly chg (bp) |
|---------------|-------|----------------|-----------------|
| VIX | 12,9 | ↑ 0,1 | ↓ -1,0 |
| CDS 5Y PIIS | 13 | ↑ 1,9 | ↓ -1,8 |
| CDS 5Y Italy | 82 | ↑ 2,4 | ↓ -5,9 |
| CDS 5Y Belg. | 100 | ↑ 3,0 | ↓ -2,1 |
| iTraxx 5Y EU | 32,6 | ↑ 0,8 | ↑ 0,6 |
| US TED Spread | 60,4 | ⇒ 0,0 | ↑ 0,4 |

Source: Reuters, OTP Research

Summary

- The sentiment on Europe's stock markets was supportive but US indices were underachievers.
- The USD's 1.5% advance vs the EUR was the strongest daily gain since March.
- America's homebuilding industry released cheering data.

In Tuesday's positive trading sentiment on Europe's stocks markets, the Stoxx600 advanced 1.7%, the DAX added 2.2%, the CAC40 soared 2.1%, and the FTSE100 upped by 0.4%. The dollar's strengthening, and the ECB's plan to bring forward its asset purchases to May and June helped the bright sentiment. Equity markets also benefited from the Greek Finance Minister's words that his country could come to an agreement with creditors this week and pay its due debts.

America's key stock indices did not fare well: the NASDAQ100 dipped 0.2%, the Russel2000 slipped 0.15%, the S&P inched 0.06% down, and only the Dow could gain 0.07%. Wal-Mart's Q1 earnings report gave account of increased turnover but its revenue and after-tax profit were short of analysts' expectations. The two most important external factors shaping the company's net profitability were (the benefit of) the slump in oil prices and (the adverse effect of) the dollar's firming. The retail giant's stocks fell 4.11% after the publication.

Asia's equity markets closed mixed. On the back of Japan's encouraging Q1 GDP reading, the Nikkei225 climbed 0.95% higher. The SSEC grew by 1.7%, the Hang Seng and the SENSEX lost 0.31% and 0.15% respectively.

The key indices of Europe opened lower this morning.

The dollar's 1.5% firming against the euro was its strongest daily gain since March. The common European currency's appreciation versus the greenback continued this morning.

The Brent crude's price fell 4%, to a one-month low.

GOV'T BOND MARKET

| | Yield (%) | | Daily chg (bp) | | Weekly chg (bp) |
|---------|-----------|---|----------------|---|-----------------|
| US 2Y | 0,61 | ↑ | 4 | ↑ | 1 |
| US 10Y | 2,28 | ↑ | 5 | ↑ | 2 |
| JP 2Y | -0,01 | ↑ | 0 | ↓ | -1 |
| JP 10Y | 0,39 | ↓ | -1 | ↓ | -6 |
| GER 2Y | -0,19 | ↓ | -1 | ↑ | 0 |
| GER 10Y | 0,65 | ↑ | 0 | ↓ | -2 |

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 | 0,84 | ↓ | -1 | ↑ | 2 |
| US 5Y Swap | 1,68 | ↓ | -2 | ↑ | 1 |
| EUR 3M Euribor | -0,01 | ↓ | 0 | ↓ | 0 |
| EUR 2Y Swap | 0,10 | ↑ | 0 | ↓ | -1 |
| EUR 5Y Swap | 0,39 | ↓ | -1 | ↓ | -5 |
| GB 3M Libor | 0,57 | → | 0 | ↓ | 0 |
| GB 2Y Swap | 0,00 | ↓ | 0 | ↓ | -2 |
| GB 5Y Swap | 0,00 | ↑ | 1 | ↓ | -4 |
| JP 3M Libor | 0,10 | → | 0 | ↓ | 0 |
| JP 2Y Swap | 0,13 | ↓ | -1 | ↓ | -2 |
| JP 5Y Swap | 0,25 | ↑ | 1 | ↓ | -4 |
| CHF 3M Libor | -0,79 | → | 0 | ↓ | 0 |
| CHF 2Y Swap | -0,70 | → | 0 | ↓ | -4 |
| CHF 5Y Swap | -0,32 | → | 0 | ↓ | -5 |

COMMODITIES

| | Close | | Daily chg. (%) | | Weekly chg. (%) |
|-----------|-------|---|----------------|---|-----------------|
| Oil Brent | 64,6 | ↑ | 0,91 | ↓ | -3,31 |
| Gold | 1 207 | ↓ | -0,02 | ↓ | -0,67 |

Source: Reuters, OTP Research

Cheering data were released about America's homebuilding industry. The housing starts gauge grew to an annualized 1,143,000 in April, the highest reading since November 2007. This translates into a 20% surge from March, and marks the strongest month/month growth in the past 24 years. That said, the strong growth owes a lot to the low basis: the adverse weather conditions reduced the number of homes built in February and March.

Japan's GDP data are encouraging: the country's economy grew by 0.6% quarter on quarter in the first three months of 2015, topping analysts' forecasts by 0.2%. The increase in the private sector's consumption was the engine of growth.

| | COUNTRY | DATE | INDICATOR | FACT | CONSENSUS | PREVIOUS |
|-----------|---------|------|--------------------------------|---------|-----------|----------|
| Tuesday | DE | May | ZEW economic sentiment (point) | 41,9 | 49,0 | 53,3 |
| | UK | Apr | CPI (yoy, %) | -0,1 | 0,0 | 0,0 |
| | US | Apr | Building permits (ann, ths) | 1 143 | 1 060 | 1 042 |
| | US | Apr | Housing starts (ann, ths) | 1 135,0 | 1 019 | 926 |
| Wednesday | JP | Q1 | GDP (qoq, %) | 0,6 | 0,4 | 0,4 |
| | UK | May | MPC vote | | - | - |
| | SK | Apr | Unemployment rate (%) | | 11,9 | 12,1 |
| | PL | Apr | Industrial output (yoy, %) | | 6,0 | 8,8 |
| | PL | Apr | Retail sales (yoy, %) | | 1,1 | 3,0 |
| | US | Apr | Existing home sales (ann, ths) | | 5 250 | 5 190 |

Source: Reuters, OTP Research

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