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# Daily Report – Global markets

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 040	↑ 0,16	↓ -1,21
S&P500	2 112	↑ 0,21	↓ -0,88
Nasdaq100	4 522	↑ 0,30	↓ -0,12
Russell2000	1 250	↑ 0,26	↑ 0,87
Stoxx600	401	↑ 0,18	↓ -1,65
DAX	11 436	↑ 0,19	↓ -3,40
FTSE 100	6 954	↓ -0,44	↓ -0,67
CAC40	5 025	↑ 0,35	↓ -2,14
ATX	2 554	↓ -0,56	↓ -2,73
IBEX35	11 238	↑ 0,18	↓ -0,92
Nikkei 225	20 543	↓ -0,13	↑ 0,52
Hang Seng	27 392	↓ -0,74	↓ -3,04
SSEC	4 838	↑ 0,19	↓ -1,49
SENSEX	27 849	↑ 0,07	↓ -0,60
RTS	954	↓ -1,54	↓ -6,99
Bovespa	53 031	↑ 0,51	↓ -3,39

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0925	↓ -0,57	↑ 0,50
EUR/CHF	1,0334	↑ 0,02	↓ -0,35
USD/GBP	1,5200	↓ -0,58	↓ -1,17
USD/JPY	124,62	↓ -0,11	↑ 1,25
AUD/USD	0,7681	↑ 1,01	↓ -0,69
USD/CAD	1,2507	↓ -0,11	↑ 0,60
USD/RUB	53,49	↑ 0,03	↑ 5,26

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	14,0	↑ 0,1	↑ 1,8
CDS 5Y PIIS	14	↑ 4,1	↑ 6,7
CDS 5Y Italy	89	↑ 5,7	↑ 8,3
CDS 5Y Belg.	105	↑ 0,4	↑ 0,4
iTraxx 5Y EU	27,6	↑ 0,7	↑ 5,6
US TED Spread	66,3	⇒ 0,0	↑ 0,9

Source: Reuters, OTP Research

**Summary**

- Greece's debt issue is still in the focus of attention in Europe. America's indices were fuelled by the favourable manufacturing ISM reading.
- The falling oil price hit producers in Western Europe and in the USA but helped transportation companies.
- Western Europe's stock markets opened slightly higher this morning but the sentiment went soon sour.

Western Europe's stock markets brightened up as the favourable US manufacturing figure triggered growth in stock prices. The Stoxx600 and the DAX added 0.2% each, while the FTSE shed 0.4%. The pharmaceutical sector was the strongest one in the Stoxx600, headed by Roche's +1.3% gain on the back of positive news on testing a cancer drug. Commodity producers and energy companies suffered losses.

But investors are wary as Greece's debt crisis is yet to be resolved and no agreement has been reached despite the meeting of Germany and France with Greece's creditors on Monday night. The Greek party is running out of time, as it should meet its IMF repayment on 5 June. Lenders are divided; the IMF would like to tighten its grip on Greece, while the European Commission is more permissive. This morning Western Europe's stock markets opened slightly higher but the sentiment soon went sour.

In America, the positive effect of the favourable macroeconomic release more than offset the disappointment caused by personal consumption statistics. The S&P and the Dow both advanced 0.2%, the NASDAQ100, and the Russell added 0.3% each, with the turnover below the three-month average. Eight of the S&P's ten sector indices climbed higher, particularly industrial companies, utilities, health care and tech names. Telecommunications companies saw the biggest contraction. The strongest gain in the S&P was Altera's 5.8% surge, as Intel announced to buy the chipmaker for USD 16.7 billion. This is the largest acquisition in Intel's history, but the market did not appreciate it: Intel's shares fell 1.6%. Another chipmaker, Broadcom contracted almost 2%, while the Philadelphia stock exchange's semiconductor index upped 0.1%. Despite the weaker-than-expected household consumption expenditure data, consumer discretionary stocks went up. Oil price slipped yesterday, the Brent became 1.2% cheaper. This morning the Brent and the WTI were seen 0.2% lower. OPEC is not expected to reduce its output levels on Friday, while the higher refinery demand decelerates the price fall. Commodity producers' stock prices decreased as oil price sank, but transportation companies switched gears: Delta Airlines and United Continental soared more than 2%.

The reassuring US economic data fuelled optimism on Asia's stock markets, but the indices closed with mixed results.

**GOV'T BOND MARKET**

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,65	↑	4	↑	3
US 10Y	2,19	↑	6	↓	-2
JP 2Y	0,00	↑	0	↑	0
JP 10Y	0,42	↑	2	↓	-1
GER 2Y	-0,22	↑	1	↓	-22
GER 10Y	0,50	↓	-1	↑	50

**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	0,00	↑	0	↓	0
US 2Y Swap	0,87	↓	0	↑	1
US 5Y Swap	1,65	↑	0	↑	4
EUR 3M Euribor	-0,01	↓	0	↓	0
EUR 2Y Swap	0,10	↑	0	↑	1
EUR 5Y Swap	0,39	↑	5	↑	2
GB 3M Libor	0,00	↓	0	↓	0
GB 2Y Swap	0,00	↑	1	↓	-1
GB 5Y Swap	0,00	↑	1	↓	-1
JP 3M Libor	0,00	↓	0	↓	0
JP 2Y Swap	0,13	↑	1	↓	-1
JP 5Y Swap	0,25	↑	1	↓	-1
CHF 3M Libor	0,00	→	0	→	0
CHF 2Y Swap	0,00	↑	78	↑	72
CHF 5Y Swap	0,00	↑	32	↑	30

**COMMODITIES**

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	64,8	↓	-0,14	↑	1,68
Gold	1 188	↓	-0,05	↑	0,13

Source: Reuters, OTP Research

In America, the manufacturing ISM index rose to 52.8 in May, beating the forecast of 52. Encouragingly, orders came in better than then had been expected (growing by more than two points). Simultaneously, a significant improvement is seen in the employment sub-index, which is particularly important ahead of Friday's monthly labour market report. What was disappointing in yesterday's US statistics is that personal expenditures stayed flat since the previous month in April, and the related price index edged up only 0.1% month on month in April, versus the forecast 0.2%. Factory orders statistics are due out in the USA today.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS	
Monday	CN	May	NBS manufacturing PMI (point)	50,2	50,2	50,1	
		May	HSBC manufacturing PMI (final, point)	49,2	-	49,1	
	DE	May	HICP (flash, yoy, %)	0,7	0,7	0,5	
	US	May	ISM Manufacturing (points)	52,8	52,0	51,5	
	US	Apr	Personal income (mom, %)	0,4	0,3	0,0	
	US	Apr	Consumption (mom, %)	0,0	0,2	0,5	
	US	Apr	Construction spending (mom, %)	2,2	0,7	-0,6	
	Tuesday	EZ	May	HICP, flash (yoy, %)		0,2	0,0
			Apr	Producer prices (yoy, %)		-2,0	-2,3
DE		May	Unemployment (%)	6,4	6,4	6,4	
US		Apr	Factory orders (mom, %)		0,0	2,1	

Source: Reuters, OTP Research

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