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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 076	↑ 0,36	↓ -0,83
S&P500	2 114	↑ 0,21	↓ -0,65
Nasdaq100	4 520	↑ 0,24	↓ -0,58
Russell2000	1 265	↑ 1,02	↑ 0,92
Stoxx600	396	↓ -0,13	↓ -3,04
DAX	11 420	↑ 0,80	↓ -3,76
FTSE 100	6 950	↑ 0,32	↓ -1,49
CAC40	5 034	↑ 0,59	↓ -3,44
ATX	2 612	↑ 1,31	↓ -1,38
IBEX35	11 268	↓ -0,03	↓ -1,40
Nikkei 225	20 488	↑ 0,07	↓ -0,31
Hang Seng	27 355	↓ -1,10	↓ -0,36
SSEC	4 772	↓ -2,80	↑ 3,29
SENSEX	26 837	↓ -1,29	↓ -0,60
RTS	947	↓ -2,69	↓ -3,83
Bovespa	53 523	↓ -1,32	↑ 0,00

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1274	↑ 1,08	↑ 2,86
EUR/CHF	1,0532	↑ 1,23	↑ 1,90
USD/GBP	1,5336	↓ -0,04	↑ 0,14
USD/JPY	124,35	↑ 0,09	↑ 0,33
AUD/USD	0,7721	↓ -0,81	↑ 1,02
USD/CAD	1,2469	↑ 0,13	↑ 0,27
USD/RUB	54,24	↓ -0,12	↑ 3,26

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,7	↓ -0,6	↑ 0,4
CDS 5Y PIIS	14	↓ -0,3	↑ 1,3
CDS 5Y Italy	88	↓ -6,6	↓ -3,9
CDS 5Y Belg.	99	↑ 4,2	↑ 4,2
iTraxx 5Y EU	31,7	↓ -0,8	↑ 2,6
US TED Spread	64,2	→ 0,0	↓ -0,5

Source: Reuters, OTP Research

Summary

- The positive macro statistics and the ECB President's optimistic words helped advanced stock markets to gains.
- After last night's Tsipras-Juncker meeting, Europe opened with meaningful losses today.
- Yet the euro is firming further, trading above 1.13 versus the dollar.

On the back of favourable macroeconomic data from both the eurozone and the USA, advanced stock markets headed higher on Wednesday. America saw modest up moves. The most important corporate headline was T-Mobile's US subsidiary's plan to merge with Dish Network, creating the second largest cable TV operator in America.

Crude price edged down, and the price of gold is nearing a three-week low despite the dollar's (plus the Swiss franc's and the pound's) losing ground to the euro.

As expected, the ECB left its monetary policy in place, keeping the benchmark rate at 0.05%, and the deposit facility rate at -0.2%. President Draghi was optimistic about both the euro area's growth prospects (the risks to recovery have become more balanced) and the talks with Greece. In an important indication, he said that the QE's extension was more probable than that of ending it ahead of schedule (September 2016).

In their meeting last night, the European Commission's President Juncker and Greek Prime Minister Alexis Tsipras tried to cool expectations. Investors have noticeably lost confidence this morning as Greece refused the offers Germany and France proposed on Monday night, and was willing to discuss its own counterproposal. Asia's stock markets closed mixed and Europe opened in the red this morning. Nonetheless, the euro's continued firming sent the EUR/USD above 1.13.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,67	↑	1	↑	1
US 10Y	2,36	↑	10	↑	23
JP 2Y	0,01	↑	0	↑	1
JP 10Y	0,50	↑	3	↑	11
GER 2Y	-0,19	↑	2	↑	3
GER 10Y	0,71	↑	16	↑	16

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	↓	-1
US 2Y Swap	0,91	↑	3	↑	7
US 5Y Swap	1,79	↑	1	↑	19
EUR 3M Euribor	-0,01	↓	0	↓	0
EUR 2Y Swap	0,12	↓	0	↑	3
EUR 5Y Swap	0,55	↑	13	↑	20
GB 3M Libor	0,00	↑	0	↓	0
GB 2Y Swap	0,00	↑	3	↑	0
GB 5Y Swap	1,65	↓	-1	↑	5
JP 3M Libor	0,00	↓	0	↓	-1
JP 2Y Swap	0,14	↓	0	↑	0
JP 5Y Swap	0,28	↓	-1	↑	5
CHF 3M Libor	0,00	→	0	→	0
CHF 2Y Swap	0,00	↑	68	↑	76
CHF 5Y Swap	0,00	↑	24	↑	35

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	63,7	↓	-0,14	↑	1,81
Gold	1 184	↓	-0,11	↓	-0,35

Source: Reuters, OTP Research

Retail sales in the eurozone grew in sync with expectations in April. Coupled with Tuesday's better-than-expected labour market data from Germany and the EZ's inflation print, this implies that the recovery may be going on in the second quarter, despite the weaker confidence indices.

The April statistics published in the USA (vehicle sales, trade balance) also reassured investors that a robust increase in consumption may be in the making in the second quarter, after the weak GDP reading in the first quarter. Moreover, ADP's labour market figure for May hit its highest year to date.

Today's meeting of the Bank of England is unlikely to change monetary conditions.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	EZ	Apr	Retail sales (mom, %)	0,7	0,7	-0,8
	EZ	Jun	Rate decision (%)	0,05	0,05	0,05
	US	Apr	Trade balance (monthly, USD bn)	-40,88	-44,00	-51,40
	US	May	ADP national employment survey (mom, ths.)	201	200	169
Thursday	UK	Jun	Rate decision (%)		0,5	0,5

Source: Reuters, OTP Research

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