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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 899	↓ -0,78	↑ 1,06
S&P500	2 094	↓ -0,70	↑ 0,77
Nasdaq100	4 454	↓ -0,77	↓ -0,52
Russell2000	1 265	↓ -0,31	↑ 0,90
Stoxx600	389	↓ -0,92	↑ 1,03
DAX	11 196	↓ -1,20	↑ 1,21
FTSE 100	6 785	↓ -0,90	↑ 0,62
CAC40	4 901	↓ -1,41	↑ 1,03
ATX	2 494	↓ -1,32	↓ -0,68
IBEX35	11 031	↓ -1,13	↑ 0,86
Nikkei 225	20 390	↓ -0,08	↓ -0,33
Hang Seng	26 902	↓ -1,39	↓ -1,52
SSEC	5 106	↓ -1,16	↓ -0,50
SENSEX	26 425	↑ 0,21	↓ -0,60
RTS	950	→ 0,00	↑ 3,00
Bovespa	53 348	↓ -0,64	↑ 1,35

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1268	↑ 0,10	↓ -0,89
EUR/CHF	1,0459	↓ -0,44	↓ -0,33
USD/GBP	1,5554	↑ 0,26	↑ 1,34
USD/JPY	123,53	↑ 0,13	↓ -0,76
AUD/USD	0,7704	↓ -0,25	↑ 0,06
USD/CAD	1,2336	↑ 0,13	↓ -0,60
USD/RUB	55,21	↑ 0,22	↓ -1,40

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,8	↑ 0,9	↓ -0,4
CDS 5Y PIIS	14	↑ 4,0	↑ 5,6
CDS 5Y Italy	92	↑ 7,4	↑ 7,4
CDS 5Y Belg.	103	↑ 0,0	↓ -0,1
iTraxx 5Y EU	30,8	↑ 1,9	↑ 1,0
US TED Spread	68,2	→ 0,0	↑ 1,7

Source: Reuters, OTP Research

Summary

- Friday's trading sentiment was unsupportive as Greece-related fears intensified on all equity markets.
- The EUR slightly advanced versus the USD.
- US industrial production statistics for May will be out today.

Friday's sentiment was rather unsupportive on global equity markets. The root cause for pessimism was the IMF's walking out of talks with Greece on Thursday. The key indices opened in the red across Europe and kept heading down. By the end of Friday's session, the DAX stood 1.2% in the red, the Footsie and the CAC lost 0.9% and 1.41% respectively.

S&P has worsened its outlook on Britain's sovereign debt rating to negative, mostly because of the planned referendum about the country's EU membership. According to the rationale, the real economy's growth outlook would deteriorate after a possible 'Brexit', and economic policy decision making may be subordinated to party policy. S&P warned of a downgrade if the sterling loses its role as reserve currency.

Risk aversion ruled US trading too in Friday's trading. Markets closed in the red. The Dow slid 0.78%, the S&P dropped 0.7%, the NASDAQ100 eased 0.77%, and the Russell sank 0.31% on the last day of the week. Investors' eyes will be riveted on Wednesday's FOMC rate-setting meeting, hoping that the subsequent news conference reveals further information about the starting date of the interest rate hikes.

The euro somewhat dropped versus the Swiss franc but slightly firmed against the dollar on Friday and it opened on a negative note against both currencies this morning. On Friday, the USD appreciated against the JPY and started in good shape this morning.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,71	↓	-2	↓	-2
US 10Y	2,35	↓	-3	↓	-6
JP 2Y	0,00	→	0	↑	0
JP 10Y	0,50	↓	-1	↑	0
GER 2Y	-0,17	↓	-2	↑	2
GER 10Y	0,87	↓	-13	↑	1

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	0,29	↓	0	↑	1
US 2Y Swap	0,96	↓	0	↑	4
US 5Y Swap	1,79	↓	-7	↓	-1
EUR 3M Euribor	-0,01	→	0	↓	0
EUR 2Y Swap	0,14	↓	0	↑	0
EUR 5Y Swap	0,55	↑	1	↑	1
GB 3M Libor	0,57	→	0	↓	0
GB 2Y Swap	0,00	↑	0	↑	1
GB 5Y Swap	0,00	↑	0	↑	2
JP 3M Libor	0,10	↓	0	↓	0
JP 2Y Swap	0,14	↓	-1	↑	1
JP 5Y Swap	0,30	↑	0	↑	2
CHF 3M Libor	-0,78	↑	0	↑	0
CHF 2Y Swap	-0,72	↑	1	↓	-3
CHF 5Y Swap	-0,25	→	0	↓	-3

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	63,6	↓	-0,50	↑	1,37
Gold	1 180	↓	-0,03	↑	0,55

Source: Reuters, OTP Research

The University of Michigan's consumer sentiment index improved more (to 94.6) in June than had been predicted (91.5).

Of today's releases, the New York Fed manufacturing index for June and the US production in May is the most influential one.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	EZ	Apr	Industrial output (mom, %)	0,1	0,3	-0,3
	US	Jun	University of Michigan, consumer sentiment (preliminary, point)	94,6	91,5	90,7
Monday	US	May	Industrial output (mom, %)		0,2	-0,3
	US	Jun	NY Fed Manufacturing (point)		5,2	3,09

Source: Reuters, OTP Research

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