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Daily Report – Global Markets

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|-------------|--------|----------------|-----------------|
| DJIA | 18 054 | ↑ 0,42 | ↑ 1,13 |
| S&P500 | 2 109 | ↑ 0,45 | ↑ 0,88 |
| Nasdaq100 | 4 523 | ↑ 0,65 | ↑ 3,95 |
| Russell2000 | 1 273 | ↑ 0,63 | ↑ 3,17 |
| Stoxx600 | 398 | ↑ 0,46 | ↑ 6,36 |
| DAX | 11 517 | ↑ 0,28 | ↑ 7,56 |
| FTSE 100 | 6 754 | ↑ 0,23 | ↑ 4,75 |
| CAC40 | 5 032 | ↑ 0,69 | ↑ 8,54 |
| ATX | 2 507 | ↓ -0,26 | ↑ 7,83 |
| IBEX35 | 11 258 | ↑ 0,30 | ↑ 8,49 |
| Nikkei 225 | 20 459 | ↑ 0,36 | ↑ 3,65 |
| Hang Seng | 24 937 | ↓ -0,73 | ↑ 6,04 |
| SSEC | 3 774 | ↓ -3,82 | ↑ 7,62 |
| SENSEX | 27 933 | ↓ -0,10 | ↓ -0,60 |
| RTS | 920 | ↑ 0,47 | ↑ 3,35 |
| Bovespa | 53 239 | ↑ 0,23 | ↑ 1,48 |

FX MARKET

| | Close | Daily chg. (%) | Weekly chg. (%) |
|---------|--------|----------------|-----------------|
| EUR/USD | 1,1009 | ↑ 0,06 | ↓ -0,75 |
| EUR/CHF | 1,0400 | ↓ -0,49 | ↓ -0,66 |
| USD/GBP | 1,5630 | ↑ 0,93 | ↑ 1,76 |
| USD/JPY | 123,42 | ↑ 0,06 | ↑ 2,25 |
| AUD/USD | 0,7460 | ↑ 0,17 | ↑ 0,44 |
| USD/CAD | 1,2736 | ↑ 0,11 | ↓ -0,06 |
| USD/RUB | 56,35 | ↓ -0,07 | ↓ -1,82 |

RISK INDICATORS

| | Close | Daily chg (bp) | Weekly chg (bp) |
|---------------|-------|----------------|-----------------|
| VIX | 13,4 | ↓ -0,5 | ↓ -2,7 |
| CDS 5Y PIIS | 13 | ↓ -6,5 | ↓ -21,1 |
| CDS 5Y Italy | 95 | ↓ -7,1 | ↓ -27,3 |
| CDS 5Y Belg. | 103 | ↓ -0,4 | ↓ -1,8 |
| iTraxx 5Y EU | 31,0 | ↓ -3,1 | ↓ -13,9 |
| US TED Spread | 64,3 | ⇒ 0,0 | ↑ 0,5 |

Source: Reuters, OTP Research

Summary

- Today Greece's parliament has to approve the first package of laws set forth in Monday morning's agreement.
- Stock indices closed with gains on both sides of the Atlantic.
- Reassuring data were released about China's economy.

The positive sentiment stemming from the deal on Greece's debt persisted on Tuesday. Western Europe's key indices closed in the green: the Stoxx600 added 0.5% and the DAX edged 0.3% higher.

America's benchmark indices ground higher too: the Dow advanced 0.4%, the S&P500 rose by 0.5%, and the NASDAQ100 closed 0.7% higher.

In Asian trading, the Hang Seng slipped 0.7%, the SSEC dived 3.8%, and the Nikkei225 grew by 0.4%.

News about Greece's bailout is likely to remain the major market-moving force today, when Greece's parliament has to approve the first set of laws it had agreed to in the small hours of Monday. Although Prime Minister Alexis Tsipras is expected to have the necessary majority to introduce the measures, the statements made in the past 24 hours may boost uncertainty on markets. Mr Tsipras said he supported the deal but he did not believe in its successfulness. Meanwhile an IMF study leaked out yesterday found that Greece's debt path was unsustainable, and suggested that the country should be given a 30-year grace period for all of its European debts or a deeper debt relief. Later an IMF top official warned that the Fund would join the bailout for Greece only if a considerable debt relief is made.

The Brent crude's price rose by 0.36%, to 58.7 USD/barrel yesterday. The price of oil slipped this morning, as the agreement on Iran's nuclear programme had been signed, and lifting the sanctions clears the way for Iran's oil exports to the world market.

GOV'T BOND MARKET

| | Yield (%) | Daily chg (bp) | Weekly chg (bp) |
|---------|-----------|----------------|-----------------|
| US 2Y | 0,64 | ↓ -4 | ↑ 5 |
| US 10Y | 2,39 | ↓ -6 | ↑ 13 |
| JP 2Y | 0,01 | ↓ 0 | ↓ 0 |
| JP 10Y | 0,46 | ↑ 0 | ↑ 1 |
| GER 2Y | -0,23 | ↓ -1 | ↑ 3 |
| GER 10Y | 0,86 | ↓ -1 | ↑ 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 | 0,00 | ↑ 0 | ↑ 0 |
| US 2Y Swap | 0,86 | ↑ 0 | ↑ 9 |
| US 5Y Swap | 1,75 | ↑ 1 | ↑ 14 |
| EUR 3M Euribor | -0,02 | → 0 | ↓ 0 |
| EUR 2Y Swap | 0,09 | ↓ -1 | ↓ -2 |
| EUR 5Y Swap | 0,49 | ↓ -2 | ↑ 4 |
| GB 3M Libor | 0,00 | ↑ 0 | ↑ 0 |
| GB 2Y Swap | 0,00 | ↑ 4 | ↓ 0 |
| GB 5Y Swap | 0,00 | ↓ 0 | ↑ 1 |
| JP 3M Libor | 0,00 | → 0 | ↑ 0 |
| JP 2Y Swap | 0,14 | ↑ 0 | ↓ 0 |
| JP 5Y Swap | 0,27 | ↓ 0 | ↑ 1 |
| CHF 3M Libor | 0,00 | ↑ 1 | ↑ 2 |
| CHF 2Y Swap | -0,74 | → 0 | ↑ 7 |
| CHF 5Y Swap | -0,27 | → 0 | ↑ 4 |

COMMODITIES

| | Close | Daily chg. (%) | Weekly chg. (%) |
|-----------|-------|----------------|-----------------|
| Oil Brent | 58,7 | ↑ 0,36 | ↑ 2,93 |
| Gold | 1 154 | ↓ -0,05 | ↓ -0,30 |

Source: Reuters, OTP Research

Retail sales in the USA contracted by 0.3% month on month in June, wrong-footing analysts' projection of 0.2% increase.

The statistics on China's economy are reassuring. Infrastructural investments jumped by 11.5% year/year in June, overshooting economists' 11.2% forecast. Industrial production expanded by 6.8% year/year in June, beating analysts' consensus by 0.8%. The preliminary GDP figure for the second quarter suggests that China's economy may have grown by 7.0% year/year, surpassing analysts' expectations by 0.1%.

| | COUNTRY | DATE | INDICATOR | FACT | CONSENSUS | PREVIOUS |
|-----------|---------|------|--|------|-----------|----------|
| Tuesday | UK | Jun | Inflation (YoY, %) | 0,0 | 0,0 | 0,1 |
| | DE | Jul | ZEW Economic Sentiment | 29,7 | 29,0 | 31,5 |
| | EZ | May | Industrial output (mom, %) | -0,4 | 0,2 | 0,1 |
| | US | Jun | Retail Sales (mom, %) | -0,3 | 0,2 | 1,2 |
| Wednesday | CN | Jun | Urban investment (YoY, %) | 11,5 | 11,2 | 11,4 |
| | CN | Jun | Industrial output (YoY, %) | 6,8 | 6,0 | 6,1 |
| | CN | Q2 | GDP (YoY, %) | 7,0 | 6,9 | 7,0 |
| | UK | May | Unemployment rate (%) | | 5,5 | 5,5 |
| | US | Jun | New York Fed manufacturing index (point) | | 2,75 | -1,98 |
| | US | Jun | Industrial output (mom, %) | | 0,2 | 0,2 |

Source: Reuters, OTP Research

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