

## Treasury Sales Team

### Headquarter Treasury Sales

**Alexandru Tibuleac**  
0372 31 85 85  
alexandru.tibuleac@otpbank.ro

**Alina Gheorghita**  
0372 31 85 84  
alina.gheorghita@otpbank.ro

**Corina Bejan**  
021 308 1560  
corina.bejan@otpbank.ro

**Andreea Nica**  
021 307 58 27  
andreea.nica@otpbank.ro

### Regional Treasury Sales

**Szilamer Kozma - Cluj**  
0755 000 400  
szilamer.kozma@otpbank.ro

**Tudor Zaman - Bucuresti**  
0372 31 85 86  
tudor.zaman@otpbank.ro

**Laura Sirbu - Bucuresti**  
0372 31 85 83  
laura.sirbu@otpbank.ro

**Alexandru Sabin - Arad**  
0730 577 959  
alexandru.sabin@otpbank.ro



## Daily Report – Global Markets



**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 102	↓ -1,66	↓ -1,61
S&P500	1 921	↓ -1,53	↓ -1,90
Nasdaq100	4 185	↓ -1,18	↓ -3,34
Russell2000	1 136	↓ -0,78	↓ -2,01
Stoxx600	353	↓ -2,52	↓ -0,29
DAX	10 038	↓ -2,71	↑ 0,19
FTSE 100	6 043	↓ -2,44	↓ -0,86
CAC40	4 523	↓ -2,81	↓ -0,46
ATX	2 252	↓ -2,26	↓ -1,38
IBEX35	9 822	↓ -2,20	↓ -3,00
Nikkei 225	17 860	↑ 0,38	↓ -5,45
Hang Seng	20 776	↓ -0,31	↓ -4,13
SSEC	3 135	↓ -0,81	↓ -2,22
SENSEX	25 194	↓ -0,03	↓ -0,60
RTS	794	↓ -1,44	↓ -2,98
Bovespa	46 498	↓ -1,83	↑ 0,45

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1146	↑ 0,22	↓ -0,68
EUR/CHF	1,0838	↑ 0,13	↓ -0,13
USD/GBP	1,5168	↓ -0,57	↓ -1,13
USD/JPY	119,35	↑ 0,30	↓ -1,54
AUD/USD	0,6918	↑ 0,19	↓ -2,70
USD/CAD	1,3263	↓ -0,14	↑ 0,97
USD/RUB	68,33	↓ -0,19	↑ 7,03

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	27,8	↑ 2,2	↑ 1,8
CDS 5Y PIIS	28	↓ -2,0	↓ -1,5
CDS 5Y Italy	93	↓ -1,9	↓ -0,6
CDS 5Y Belg.	101	↓ -0,4	↓ -0,8
iTraxx 5Y EU	30,0	↑ 1,6	↓ -0,6
US TED Spread	73,1	→ 0,0	↑ 2,8

Source: Reuters, OTP Research

**Summary**

- Western Europe's key indices lost more than 2%; US benchmarks also closed in negative territory on Friday.
- Today America's markets are closed for Labor Day.
- In August, employment grew by less than expected in the USA. Yet the unemployment rate sank to a seven-year low of 5.1%.

On Friday investor mood was unfavourable in Europe, and the worse-than-expected German manufacturing data or the good US labour market statistics did not benefit the fragile sentiment. The employment data suggested to many investors that the Fed's September meeting would start monetary tightening. The key indices did not leave the negative territory throughout Friday's trading. The Footsie ended 2.4% lower, the DAX sank 2.7%, and the CAC40 shrank 2.8%. The energy and mining names were ailing, descending 4% and 5% respectively. The second largest clothing retailer in the UK, Next, fell 3% after the end-of-the year fair value of the shares were lowered. In contrast, Lufthansa soared 5%, as its CEO confirmed that the airline company would attain this year's profit targets.

Trading in the USA also opened on a negative note, and sellers' dominance persisted until the close. Friday's labour market data bolstered expectations that the Fed would start an interest rate hike in September. All indices closed with losses: the Dow dropped 1.7%, the S&P contracted by 1.5%, and the Nasdaq100 index subsided 1.2%. All of the S&P's sector indices went down more than 1% on Friday. The weakest indices were the financial and commodity ones (-2%). Within the Dow, the biggest losers were banking shares: JP Morgan slipped 1.9%, and Goldman Sachs plunged 2.5%.

US markets are closed today for Labor Day.

This morning Asia's markets were rather pessimistic. Japan's stock markets made subtle moves. On the first day following a four-day long weekend, China's Shanghai Composite closed 1.2% lower, eroding the gains made at the beginning of trading. In a bid to ease fears about the Country's economy, China's decision-makers promised extensive market reforms.

GOV'T BOND MARKET				
	Yield (%)	Daily chg (bp)	Weekly chg (bp)	
US 2Y	0,70	↓ 0	↑ 0	
US 10Y	2,17	↓ -1	↓ -3	
JP 2Y	0,02	→ 0	↑ 0	
JP 10Y	0,37	↓ -2	↓ -1	
GER 2Y	-0,20	↑ 0	↑ 2	
GER 10Y	0,70	↓ -9	↓ -3	

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	0,33	↑ 0	↑ 1	
US 2Y Swap	0,84	↑ 2	↓ -1	
US 5Y Swap	1,51	↓ -1	↓ -10	
EUR 3M Euribor	-0,03	↓ 0	↓ 0	
EUR 2Y Swap	0,07	↑ 0	↓ -4	
EUR 5Y Swap	0,38	↓ -1	↓ -9	
GB 3M Libor	0,59	↑ 0	↓ 0	
GB 2Y Swap	0,99	↓ 0	↓ 0	
GB 5Y Swap	1,49	↑ 1	↓ -1	
JP 3M Libor	0,09	↑ 0	↑ 0	
JP 2Y Swap	0,11	↑ 1	↓ 0	
JP 5Y Swap	0,20	↑ 1	↓ -1	
CHF 3M Libor	-0,73	↓ 0	↓ -1	
CHF 2Y Swap	-0,69	↓ -2	↓ -3	
CHF 5Y Swap	-0,37	↓ 0	↓ -3	

COMMODITIES				
	Close	Daily chg. (%)	Weekly chg. (%)	
Oil Brent	49,2	↓ -0,83	↓ -9,14	
Gold	1 123	↑ 0,03	↓ -0,99	

Source: Reuters, OTP Research

US non-farm payroll grew by 173,000 in August, vastly below analysts' prediction of 210-220,000 increase. The employment growth in August marks the lowest monthly reading in the past five months. The June and July data were revised down, from 231,000 to 245,000 and from 215,000 to 245,000 respectively. It was chiefly health care and social security, as well as financial services that created the highest number of jobs, while the number of manufacturing and mining workers declined in August. Labour market participation rate remained at 62.6% in August. In the eighth month of this year, the unemployment rate came down to 5.1%, the lowest in more than seven years. According to the fresh data, average hourly wages picked up too. Both figures can make a September interest rate hike more probable, as the Fed keeps a close eye on them.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	DE	Jul	Industrial orders (mom, %)	-1,4	-0,6	2,0
	RO	Q2	GDP (preliminary, yoy, %)	3,3	-	3,2
	US	Aug	Average Earnings (weekly, mom, %)	0,3	0,2	0,2
	US	Aug	Non-farm Payroll (mom, thousands db)	173	220	215
	US	Aug	Unemployment rate (%)	5,1	5,2	5,3
Monday	DE	Jul	Industrial output (mom, %)	0,7	1,0	1,4
	EZ	Sep	Sentix index (point)		16,1	18,4
	JP	Q2	GDP (revised, annualized qoq, %)		-1,8	-1,6

Source: Reuters, OTP Research

**Chief Economist**  
Gergely Tardos  
tardosg@otpbank.hu  
+36 1 374 7273

**Fundamental Analyst**  
Piroska Beáta Balogh  
szabopb@otpbank.hu  
+36 1 374 7276

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