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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 478	↓ -1,42	↓ -1,88
S&P500	2 050	↓ -1,44	↓ -1,88
Nasdaq100	4 607	↓ -1,70	↓ -1,42
Russell2000	1 171	↓ -1,77	↓ -2,64
Stoxx600	372	↓ -3,14	↓ -3,19
DAX	10 789	↓ -3,58	↓ -4,70
FTSE 100	6 275	↓ -2,27	↓ -1,85
CAC40	4 730	↓ -3,58	↓ -4,36
ATX	2 454	↓ -1,38	↓ -0,62
IBEX35	10 093	↓ -2,41	↓ -2,32
Nikkei 225	19 504	↓ -2,18	↓ -1,91
Hang Seng	22 203	↓ -0,96	↑ 0,61
SSEC	3 525	↓ -1,68	↑ 2,57
SENSEX	25 677	↓ -0,81	↓ -0,60
RTS	827	↓ -0,84	↓ -5,45
Bovespa	46 393	↑ 3,29	↓ -1,60

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0938	↑ 2,99	↑ 3,10
EUR/CHF	1,0863	↑ 0,51	↓ -0,55
USD/GBP	1,5143	↑ 1,30	↑ 0,72
USD/JPY	122,66	↑ 0,06	↓ -0,13
AUD/USD	0,7314	↓ -0,31	↑ 1,70
USD/CAD	1,3367	↑ 0,09	↓ -0,02
USD/RUB	67,58	↑ 0,22	↑ 1,84

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	18,1	↑ 2,2	↑ 2,9
CDS 5Y PIIS	18	↓ -0,5	↓ -3,4
CDS 5Y Italy	86	↓ -1,8	↓ -3,7
CDS 5Y Belg.	83	↓ -0,5	↓ -2,8
iTraxx 5Y EU	24,7	↓ -0,6	↓ -1,4
US TED Spread	68,7	⇒ 0,0	↑ 1,2

Source: Reuters, OTP Research

Summary

- Western Europe's indices fell after the ECB's decision.
- America's markets were gloomy too.
- The EUR has firmed 3% against the USD.

Western Europe's stock markets opened brightly, but investors waited for the afternoon announcement of the ECB's Governing Council. Keeping the benchmark rate on hold did not come as a surprise, and neither did the lowering the overnight deposit rate from -0.2% to -0.3%, but the changes to the quantitative easing raised some eyebrows. Rather than boosting the volume of monthly asset purchases, the ECB merely decided to extend the programme until March 2017. Thus the ECB will continue the monthly EUR 60 billion asset purchase programme six months longer than originally announced.

In the afternoon, Western Europe's indices started to fall and ended Thursday's trading in the red. Germany's DAX suffered a huge fall (-3.58%) as all of its constituents tumbled. Daimler's 5.34% fall marked the most painful loss yesterday. Investors also hammered the CAC40, which closed -3.58% lower as AIRBUS Group (-5.27%) and Danone (-5.12%) nose-dived more than 5%. The Footsie sank -2.27% yesterday.

America was also under selling pressure, which pushed the key indices into the red. Investors' attention focussed on the ECB decision as well as on the Fed chair's speech, in which Janet Yellen hinted again at the possibility of a December rate hike. The Dow sank 1.42%, the S&P500 was 1.44% down, the NASDAQ100 declined 1.7%, and the Russel2000 dropped 1.77%.

The gloomy sentiment on Asia's markets drove the major indices into the red. In this morning's trading the Nikkei225 descended 2.18%, the Hang Seng eased 0.96%, and the Shanghai Composite shed 1.67%.

The EUR has firmed 3% versus the USD. The ECB's decision gave impetus to the single currency.

The Brent oil steadily marched higher yesterday ahead of today's OPEC meeting, but the crude opened lower this morning. The price of gold jumped higher, but the precious metal also started on a weaker foot today.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,95	↑ 1	↑ 2
US 10Y	2,30	↑ 12	↑ 8
JP 2Y	-0,01	↑ 0	↓ -1
JP 10Y	0,34	↑ 1	↑ 4
GER 2Y	-0,43	↑ 0	↓ -2
GER 10Y	0,48	↑ 1	↑ 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	0,00	↑ 1	↑ 3
US 2Y Swap	1,01	↓ 0	↑ 4
US 5Y Swap	1,62	↓ -1	↑ 8
EUR 3M Euribor	-0,12	↓ -1	↓ -2
EUR 2Y Swap	-0,02	↓ 0	↑ 10
EUR 5Y Swap	0,33	↑ 19	↑ 17
GB 3M Libor	0,00	↑ 0	↑ 0
GB 2Y Swap	0,99	↑ 3	→ 0
GB 5Y Swap	1,47	↑ 9	↑ 7
JP 3M Libor	0,00	↑ 1	↑ 1
JP 2Y Swap	0,09	↓ -1	→ 0
JP 5Y Swap	0,15	↓ -2	↓ 0
CHF 3M Libor	0,00	↓ -2	↓ -5
CHF 2Y Swap	-0,85	↑ 11	↑ 8
CHF 5Y Swap	-0,53	↑ 0	↑ 8

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	43,9	↑ 0,02	↓ -2,25
Gold	1 061	↓ -0,10	↑ 0,25

Source: Reuters, OTP Research

Germany's industrial orders grew by 1.8% month/month in October, surpassing expectations (1.2%).

The United States will publish labour market data for November, which are important for the Fed Open Market Committee's December rate decision. These will be the last set of data on the health of the US economy before 16 December and thus they can meaningfully influence the FOMC's decision.

Today's meeting of OPEC members in Vienna may influence the organization's petroleum production.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	EZ	Oct	Retail sales (mom, %)	-0,1	0,2	-0,1
	EZ	Dec	ECB base rate (%)	0,05	0,05	0,05
Friday	DE	Oct	Industrial Orders (mom, %)	1,8	1,2	-1,7
	CH	Nov	CPI (yoy, %)		-1,3	-1,4
	-	Dec	OPEC meeting		-	-
	US	Oct	Trade Balance (monthly, bn USD)		-40,5	-40,8
	US	Nov	Non-Farm Payrolls (mom, thousands)		200,0	271,0
	US	Nov	Average Earnings (mom, %)		0,2	0,4
US	Nov	Unemployment rate (%)		5,0	5,0	

Source: Reuters, OTP Research

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