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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 159	↓ -1,55	↓ -3,17
S&P500	2 017	↑ 0,20	↓ -2,97
Nasdaq100	4 484	↓ -0,30	↓ -2,97
Russell2000	1 110	↑ 0,16	↓ -4,32
Stoxx600	359	↑ 0,62	↓ -2,92
DAX	10 310	↑ 0,26	↓ -5,06
FTSE 100	6 137	↑ 0,72	↓ -2,81
CAC40	4 538	↑ 0,34	↓ -3,48
ATX	2 363	↑ 0,61	↓ -1,40
IBEX35	9 335	↑ 0,24	↓ -3,47
Nikkei 225	18 191	↓ -0,99	↓ -4,43
Hang Seng	20 991	↓ -0,93	↓ -4,07
SSEC	3 360	↑ 2,20	↓ -5,96
SENSEX	25 574	↓ -0,02	↓ -0,60
RTS	753	↑ 0,46	↓ -2,20
Bovespa	42 419	↑ 0,66	↓ -2,83

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0746	↓ -0,77	↓ -1,81
EUR/CHF	1,0838	↓ -0,12	↑ 0,31
USD/GBP	1,4671	↓ -0,30	↓ -0,95
USD/JPY	118,73	↓ -0,27	↓ -1,46
AUD/USD	0,7100	↓ -0,80	↓ -2,51
USD/CAD	1,4036	↑ 0,29	↑ 1,15
USD/RUB	73,38	↑ 0,00	↑ 0,25

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	19,3	↓ -1,4	↑ 2,4
CDS 5Y PIIS	19	↑ 0,9	↓ -1,7
CDS 5Y Italy	86	→ 0,0	↓ -3,0
CDS 5Y Belg.	86	↑ 0,2	↑ 0,5
iTraxx 5Y EU	24,8	↓ -1,3	↓ -1,6
US TED Spread	79,5	→ 0,0	↓ -0,6

Source: Reuters, OTP Research

Summary

- Despite the hesitant investor sentiment, Europe's key benchmarks ended with gains on Tuesday.
- US indices closed mixed yesterday.
- The key benchmarks of Asia were down this morning.

Tuesday's trading was rather uncertain on Europe's key markets. The early morning panic somewhat eased when China's central bank announced liquidity boosting measures (the PBoC offers USD 20 billion in extraordinary loan to banks to support local markets), and the indices managed to work off earlier losses by noon. Later on markets lost steam, yet the key indices managed to close in positive territory. The stocks of mining and telecommunications companies fuelled growth in Europe. Anglo American, BHP Billiton, and Glencore surged between 1.3% and 3.5% in Tuesday's trading, as the price of key industrial metals started to rise. Reports on the Orange telecommunications company's buying Bouygues Telecom have resurfaced, lifting Orange's stock price by 0.7% and that of Bouygues Telecom by 0.4%. The other telecommunication companies had a good day too: Altice soared 9.3%, and Numericable sky-rocketed 12.3%. The UK-based fashion retailer, Next shrank 4.6% owing to the disappointing Christmas sales data. The London Stock Exchange added 0.7%, Germany's DAX upped 0.3%, and France's CAC40 climbed 0.3% higher. This morning European indices opened on a weak note.

America's stock indices opened higher on Tuesday, before the sentiment went sour. Later a shadow of optimism allowed the indices to close mixed: the NASDAQ100 shed 0.3%, while the Dow dropped 0.1%, and the S&P upped 0.2%. The deceleration of China's economy, the increased risks to global growth, combined with the renewed geopolitical tensions (between Saudi Arabia and Iran) made investors precautious. The S&P's sector indices closed mixed on Tuesday. The real property sub-index was the best performer (+3%), and technology was the weakest component (-0.3%). Apple's stocks fell 2.5% on the back of news that the tech giant may cut the manufacturing of its newest iPhone models by 30% compared to Q1 plans.

The price of oil sank on Tuesday too. The WTI oil slid 2%, to 36.1 USD/barrel when US markets closed.

This morning Asia's stock markets ended a rather unenthusiastic trading session. The risk-off behaviour can be put down to China growth fears, the tension between Saudi Arabia and Iran, as well as North Korea's hydrogen bomb test. This morning China's central bank took another step to weaken the yuan. China's and Japan's indices closed 1% in the red this morning.

GOV'T BOND MARKET				
	Yield (%)	Daily chg (bp)	Weekly chg (bp)	
US 2Y	1,02	↓ -2	↓ -3	
US 10Y	2,24	↓ 0	↑ 0	
JP 2Y	-0,02	↓ -1	↓ -1	
JP 10Y	0,26	↓ -1	↓ -1	
GER 2Y	-0,35	→ 0	↓ -1	
GER 10Y	0,59	↓ -1	↓ -3	

CENTRAL BANKS' RATES				
	Rate (%)	6M Consensus	1Y Consensus	
Fed Funds	0,5	↑ 0,75	↑ 1,25	
ECB Rate	0,05	→ 0,05	→ 0,05	
BOE Rate	0,50	↑ 0,75	↑ 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	0,61	↑ 0	↑ 1	
US 2Y Swap	1,09	↓ -1	↓ -6	
US 5Y Swap	1,64	↓ -2	↓ -9	
EUR 3M Euribor	-0,13	↓ 0	↓ 0	
EUR 2Y Swap	-0,09	↓ -1	↓ -4	
EUR 5Y Swap	0,26	↓ -5	↓ -7	
GB 3M Libor	0,59	→ 0	↑ 0	
GB 2Y Swap	1,01	↓ -3	↑ 0	
GB 5Y Swap	1,49	↓ -3	↓ -6	
JP 3M Libor	0,08	↑ 0	↑ 0	
JP 2Y Swap	0,10	→ 0	↑ 0	
JP 5Y Swap	0,15	↓ -1	↓ -1	
CHF 3M Libor	-0,76	→ 0	↑ 1	
CHF 2Y Swap	-0,71	↓ -2	↓ 0	
CHF 5Y Swap	-0,39	↓ -3	↑ 1	

COMMODITIES			
	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	36,4	↓ -0,03	↓ -3,65
Gold	1 081	↑ 0,31	↑ 1,88

Source: Reuters, OTP Research

Today's release of ADP monthly employment report may provide guidance for Friday's comprehensive US labour market statistics.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	EZ	Dec	CPI, flash (yoy, %)	0,2	0,3	0,2
	DE	Dec	Unemployment rate (%)	6,3	6,3	6,3
	GB	Dec	Markit Construction PMI (final, points)	57,8	56,0	55,3
	US	Dec	Construction spending (mom, %)	17,3	18,1	18,2
Wednesday	FR	Dec	Markit services PMI (final, point)		50,0	50,0
	DE	Dec	Markit services PMI (final, point)		55,4	55,4
	EZ	Dec	Markit services PMI (final, point)		53,9	53,9
	US	Dec	ADP National Employment Report (mom, ths)		192	217
	US	Nov	International trade (USD bn)		-44,0	-43,9
	US	Dec	Markit services PMI (final, point)		-	53,7
	US	Dec	ISM Non-Mfg PMI (point)		56,0	55,9

Source: Reuters, OTP Research

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