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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 346	↓ -3,39	↓ -6,19
S&P500	1 922	↓ -1,08	↓ -5,96
Nasdaq100	4 271	↓ -0,81	↓ -7,02
Russell2000	1 046	↓ -1,73	↓ -5,63
Stoxx600	341	↓ -1,49	↓ -6,69
DAX	9 849	↓ -1,31	↓ -8,32
FTSE 100	5 912	↓ -0,70	↓ -5,28
CAC40	4 334	↓ -1,59	↓ -6,54
ATX	2 221	↓ -3,33	↓ -7,34
IBEX35	8 909	↓ -1,66	↓ -6,65
Nikkei 225	17 698	→ 0,00	↓ -4,08
Hang Seng	19 959	↓ -2,42	↓ -6,41
SSEC	3 017	↓ -5,33	↓ -8,48
SENSEX	24 735	↓ -0,80	↓ -0,60
RTS	737	→ 0,00	↓ -2,67
Bovespa	40 612	↓ -0,20	↓ -6,32

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0929	↓ -0,05	↑ 0,72
EUR/CHF	1,0870	↑ 0,10	↓ -0,06
USD/GBP	1,4517	↓ -0,67	↓ -1,35
USD/JPY	117,16	↓ -0,24	↓ -1,89
AUD/USD	0,6966	↑ 0,22	↓ -3,09
USD/CAD	1,4167	↓ -0,01	↑ 1,55
USD/RUB	76,11	↑ 2,03	↑ 4,65

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	27,0	↑ 2,0	↑ 8,8
CDS 5Y PIIS	27	↑ 4,0	↑ 5,9
CDS 5Y Italy	91	↑ 2,0	↑ 3,5
CDS 5Y Belg.	89	↑ 0,4	↑ 0,7
iTraxx 5Y EU	25,3	↑ 2,2	↑ 8,0
US TED Spread	84,9	→ 0,0	↓ -3,0

Source: Reuters, OTP Research

Summary

- Negative sentiment ruled the world's equity markets on Friday.
- The USA published mixed labour market data on Friday.
- Saudi Aramco may list only its refining assets on the stock exchange.

Investor sentiment on the world's equity markets was rather negative on Friday. In Europe, the DAX sank 1.3%, the Stoxx600 slipped 1.5%, the CAC40 dropped 1.6%, and the FTSE100 shed 0.7%. Friday's fall brought the total loss of Europe's key stock indices to 5-8%. In the USA, the DJIA plunged 3.4%, the S&P500 slid 1.1%, and the Russell2000 slumped 1.7%, thus the main American indices tumbled 5.6-7% last week. US bond yields edged down 1-2 basis points in Friday's trading, while German Bund yields rose by 1-5 basis points.

The pessimism on Friday may have stemmed from the bad news from China and the mixed bag of US labour market data. Although US non-farm employment has beaten market expectations by a large margin, the nominal wage dynamics remained rather subdued, and the rate of unemployment stayed at 5%.

Asia's stock markets opened on a weak note this morning, when the Hang Seng was seen dropping 2.4%, and the SSEC fell 5.3%. (Japan is closed today.)

The weak opening in Asia weighs on the oil's market too: the Brent sank 2.8% this morning. Morgan Stanley cannot rule out USD 20 oil price if the USD firms quickly. Its analysis says that a 5% dollar firming could bring about 10-25% fall in the price of oil. According to Reuters' sources, Saudi Aramco may list on the stock exchange only its unbundled refining assets, rather than the whole group. Saudi Arabia has confirmed that it continues to peg the riyal's exchange rate to the USD and does not wish to devalue its currency, refuting such speculation as groundless.

The EUR suffered slight loss (0.05%) to the USD.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,94	↓ -2	↓ -13
US 10Y	2,13	↓ -3	↓ -17
JP 2Y	0,00	↑ 1	↑ 1
JP 10Y	0,25	→ 0	↓ -3
GER 2Y	-0,38	↑ 1	↓ -5
GER 10Y	0,54	↑ 5	↓ -11

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	0,62	↓ 0	↑ 0
US 2Y Swap	0,99	↑ 1	↓ -14
US 5Y Swap	1,47	↓ -1	↓ -21
EUR 3M Euribor	-0,14	↓ 0	↓ -1
EUR 2Y Swap	-0,10	↓ -1	↓ -4
EUR 5Y Swap	0,24	↓ -2	↓ -7
GB 3M Libor	0,59	↓ 0	↓ 0
GB 2Y Swap	0,93	↓ -2	→ 0
GB 5Y Swap	1,38	↓ -2	↓ -20
JP 3M Libor	0,08	→ 0	↑ 0
JP 2Y Swap	0,10	↑ 1	→ 0
JP 5Y Swap	0,14	→ 0	↓ -1
CHF 3M Libor	-0,75	↓ 0	↑ 0
CHF 2Y Swap	-0,72	↓ -2	↓ -7
CHF 5Y Swap	-0,42	↓ -3	↓ -10

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	32,6	↓ -2,80	↓ -12,39
Gold	1 106	↑ 0,17	↑ 2,93

Source: Reuters, OTP Research

A mixed bag of data was published on Friday. Germany's industrial production and exports figures came in worse than expected and the US labour market data were also mixed. Non-farm employment grew by almost 300,000, surpassing analysts' estimates by a large margin, but nominal wages caused disappointment, and the unemployment rate stayed flat. Wholesale inventories fell stronger than had been thought.

Few data will be out today: Japan will release current account balance and the eurozone will publish the Sentix investor confidence index.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS	
Friday	DE	Nov	Industrial output (mom, %)	-0,3	0,5	0,2	
	DE	Nov	Export (yoy, %)	0,4	0,70	-1,20	
	CH	Dec	CPI (yoy, %)	-1,3	-1,2	-1,4	
	US	Dec	Non-Farm Employment Change (mom, ths db)	292,0	200,0	211,0	
	US	Dec	Average Earnings (mom, %)	0,0	0,2	0,2	
	US	Dec	Unemployment rate (%)	5	5	5	
	US	Nov	Wholesale Inventories (mom, %)	-0,3	-0,1	-0,1	
	Monday	JP	Nov	Current account balance (billion JPY)		858,5	1458,4
		EZ	Jan	Sentix Invenstor Confidence (point)		12,2	15,7

Source: Reuters, OTP Research

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