

Treasury Sales Team

Headquarter Treasury Sales

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

Cristian Ilie
0372 31 85 86
ilie.cristian@otpbank.ro

Corina Bejan
0372 31 85 84
corina.bejan@otpbank.ro

Alina Gheorghita
0372 31 85 83
alina.gheorghita@otpbank.ro

Andreea Nica
0755 000 106
andreea.nica@otpbank.ro

Regional Treasury Sales

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

Tudor Zaman - Bucuresti
0755 000 199
tudor.zaman@otpbank.ro

Laura Sirbu - Bucuresti
0729 963 540
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	16 399	↑ 0,32	↓ -4,38
S&P500	1 924	↑ 0,09	↓ -4,42
Nasdaq100	4 284	↑ 0,30	↓ -4,76
Russell2000	1 042	↓ -0,41	↓ -6,17
Stoxx600	340	↓ -0,33	↓ -4,61
DAX	9 825	↓ -0,25	↓ -4,46
FTSE 100	5 872	↓ -0,69	↓ -3,64
CAC40	4 313	↓ -0,49	↓ -4,64
ATX	2 201	↓ -0,90	↓ -6,27
IBEX35	8 886	↓ -0,26	↓ -4,59
Nikkei 225	17 219	↓ -2,71	↓ -6,68
Hang Seng	19 720	↓ -0,85	↓ -6,93
SSEC	3 011	↓ -0,20	↓ -8,43
SENSEX	24 645	↓ -0,73	↓ -0,60
RTS	699	↓ -5,12	↓ -6,69
Bovespa	39 950	↓ -1,63	↓ -5,20

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0859	↓ -0,64	↑ 1,31
EUR/CHF	1,0873	↑ 0,03	↑ 0,34
USD/GBP	1,4538	↑ 0,14	↓ -0,91
USD/JPY	117,31	↓ -0,37	↓ -1,46
AUD/USD	0,6962	↓ -0,44	↓ -2,72
USD/CAD	1,4234	↑ 0,14	↑ 1,71
USD/RUB	76,84	↑ 0,61	↑ 4,71

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	24,3	↓ -2,7	↑ 3,6
CDS 5Y PIIS	24	↑ 0,3	↑ 6,4
CDS 5Y Italy	91	↑ 0,0	↑ 3,9
CDS 5Y Belg.	90	→ 0,0	↑ 0,6
iTraxx 5Y EU	25,2	↑ 0,5	↑ 4,7
US TED Spread	85,4	→ 0,0	↓ -1,4

Source: Reuters, OTP Research

Summary

- The sentiment on the world's equity markets has not improved impressively; producers are hit by the continued fall in oil and commodity prices.
- Alcoa's earnings report marked the beginning of the reporting season in the USA. The aluminium manufacturer published better-than-expected profit figures after trading hours; its share price increased.
- Oil price fell close to USD 31 yesterday; the slump continued this morning.

The sentiment failed to improve on the world's equity markets; after the Chinese stock exchange's plunge in the morning, Europe's stock exchanges opened higher on Monday morning but ran out of steam by the end, thus Western Europe's benchmark indices closed in the red. The Stoxx600 closed 0.3% down, erasing the gains achieved earlier in the day, while the DAX wiped off its 1.3% advance and closed 0.3% lower. Global growth fears slashed the Stoxx600 by almost 7% last week, while the DAX slumped 8%, and Monday's session did not bring correction either. In addition to the concerns surrounding China's slowing, the continued slump in raw material prices, particularly in that of petroleum, put shares under pressure, especially commodity producers and the energy sector. Glencore fell 5.2%, and Rio Tinto eased 2.6%.

The sentiment on US markets failed to improve remarkably, but the key stock indices achieved gains. The Dow was largely driven by tech names; Cisco Systems upped 2.0%, Intel added 1.8%, and Apple rose by 1.6%. Consumption-related firms fared well; their advance helped the S&P swing into positive territory by the end of the day. The index was dragged down by the energy sector, and commodity producers as the price of petroleum and copper fell (-1.9%). The S&P's energy sector index was 2.1% down on Monday, while the commodity producing sector sank 1.7%. Nose-diving 20% made Freeport-McMoran the loser within the S&P. Alcoa's Q4 report, published after market close yesterday, revealed stronger-than-expected profit. Another underperformer was healthcare, with biotech companies seeing painful losses.

The negative sentiment persisted on Asia's stock markets. The Nikkei sank 2.7%, while the Hang Seng lost 0.9%, and the SSEC slipped 0.2%. Asia's air companies benefited from the cheaper oil, hindering the plunge of Chinese indices.

Crude oil prices slumped deeper: the WTI sank to 31.41 USD/barrel on the New York Commodity Exchange, and the Brent was almost two dollars down, to 31.55 (-6%), and extending the slide, it went 3% deeper, to USD 30.60 this morning. The strengthening dollar also plays a part in the slump of oil price; Morgan Stanley estimates that 5% dollar firming could cause 10-25% fall in the oil price. In the light of this, Morgan Stanley cannot rule out the USD 20 price level, while the Bank of America slashed its forecast by USD 4, to 46, and Société Generale lowered its projection by more than 10 dollars, to USD 42.5 for this year. The expectations that the US inventories will increase also play a part in lower oil prices; the respective report will be out tomorrow.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,94 →	0	↓ -10
US 10Y	2,18 ↑	5	↓ -7
JP 2Y	-0,02 ↓	-2	↓ -1
JP 10Y	0,23 ↑	23	↓ -4
GER 2Y	-0,39 ↓	-1	↓ -4
GER 10Y	0,51 ↓	-3	↓ -8

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	0,00 ↑	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	↑ 1
US 2Y Swap	0,99 ↓	-2	↓ -12
US 5Y Swap	1,48 ↓	-2	↓ -18
EUR 3M Euribor	-0,14 →	0	↓ -1
EUR 2Y Swap	-0,08 ↑	0	↓ 0
EUR 5Y Swap	0,25 ↑	2	↓ 0
GB 3M Libor	0,00 →	0	↓ 0
GB 2Y Swap	0,92 ↓	-1	↓ -1
GB 5Y Swap	1,36 ↓	-2	↓ -15
JP 3M Libor	0,00 ↓	0	↓ 0
JP 2Y Swap	0,09 ↑	0	↓ -1
JP 5Y Swap	0,14 →	0	↓ -2
CHF 3M Libor	0,00 ↑	0	↑ 1
CHF 2Y Swap	-0,76 ↓	-4	↓ -7
CHF 5Y Swap	-0,44 ↑	0	↓ -6

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	30,6	↓ -3,01	↓ -15,98
Gold	1 095	↑ 0,08	↑ 1,62

Source: Reuters, OTP Research

The euro lost 0.6% against the USD.

The January reading of the eurozone's Sentix investor confidence index dropped to 9.6, falling stronger than had been thought.

Japan's November current account surplus, at JPY 1143.5 billion, has beaten expectations, according to the most recent statistics.

The United Kingdom releases a lot of important macroeconomic data today. The growth in UK retail sales missed expectations.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	JP	Nov	Current account balance (JPY bn)	1143,5	858,5	1458,4
	EZ	Jan	Sentix Invenstor Confidence (points)	9,6	12,20	15,70
Tuesday	GB	Dec	Retail sales (YoY, %)	0,1	0,5	-0,4
	GB	Nov	Industrial output (YoY, %)		1,7	1,7
	GB	Nov	Manufacturing output (YoY, %)		-0,8	-0,1

Source: Reuters, OTP Research

Chief Economist

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

Fundamental Analyst

Orsolya Rátkai
ratkaio@otpbank.hu
+36 1 374 7270

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