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## Daily Report – Global Markets

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 417	↑ 0,49	↑ 2,16
S&P500	1 915	↑ 0,15	↑ 1,17
Nasdaq100	4 172	↓ -0,50	↑ 1,04
Russell2000	1 010	↑ 0,15	↑ 0,70
Stoxx600	329	↓ -0,20	↓ -1,83
DAX	9 393	↓ -0,44	↓ -2,55
FTSE 100	5 899	↑ 1,06	↓ -0,56
CAC40	4 229	↑ 0,04	↓ -2,17
ATX	2 114	↑ 1,04	↓ -0,73
IBEX35	8 468	↑ 1,85	↓ -1,43
Nikkei 225	16 820	↓ -1,32	↓ -3,99
Hang Seng	19 307	↑ 0,65	↓ -1,91
SSEC	2 763	↓ -0,63	↑ 0,95
SENSEX	24 543	↑ 0,84	↓ -0,60
RTS	739	↑ 6,01	↑ 1,61
Bovespa	40 822	↑ 3,11	↑ 5,67

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1206	↑ 0,92	↑ 3,35
EUR/CHF	1,1128	↓ -0,18	↑ 0,44
USD/GBP	1,4587	↓ -0,08	↑ 2,40
USD/JPY	116,77	↑ 0,03	↓ -3,52
AUD/USD	0,7187	↓ -0,17	↑ 1,48
USD/CAD	1,3716	↓ -0,25	↓ -1,83
USD/RUB	77,23	↑ 0,75	↑ 2,34

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	21,8	↑ 0,2	↓ -0,6
CDS 5Y PIIS	22	↑ 0,9	↑ 14,2
CDS 5Y Italy	109	↑ 3,5	↑ 16,1
CDS 5Y Belg.	111	↓ -1,2	↑ 1,0
iTraxx 5Y EU	30,0	↑ 0,7	↑ 11,4
US TED Spread	104,6	→ 0,0	↑ 3,8

Source: Reuters, OTP Research

**Summary**

- Thursday's sentiment on equity markets was rather mixed. A temporary pick-up in oil prices supported the energy sector and the USD weakening helped commodity producers.
- The USD weakened vs the EUR; US bond yields are increasingly pricing out the possibility of a rate hike.
- The January labour market report is due out in the USA today.

Thursday's trading was rather volatile on advanced economies' equity markets. US bond yields suggest that investors are pricing out the possibility of further rate hikes in the USA. This sent the dollar weakening, which fundamentally raises commodity prices. This was cheerful news for commodity producers on the stock markets in Europe; the higher oil price supported the energy sector too. Another factor to raise oil prices was the Russian Foreign Minister's words that Russia was not against an agreement with OPEC regarding production. However, commodity producers' gains were not enough to offset the outcome of the unfavourable earnings reports of Credit Suisse and Daimler: the Stoxx600 slipped 0.2% by the end of the day. In a clear illustration of volatility, the index oscillated between +1.1 and -1.5%, reflecting the intraday fluctuations in oil prices. Even the stock price of BP, which reported a massive plunge in profits earlier this week, soared 4.7% yesterday, and Norway's Statoil skyrocketed 9%. The banking sector was driven by ING group's nearly 9% jump higher, owing to better-than-expected earnings report. AstraZeneca's price tumbled 6.1%, after forecasting a contraction in this year's profits. Europe's indices opened in the red this morning.

Trading sentiment in America was uneven too yesterday. Despite the weaker-than-expected factory orders data, basic material and industrial producers made nice gains, but the slip in the oil price after European close weighed on the energy sector. The increase in global commodity prices, taking place simultaneously with the USD's depreciation, drove mining companies higher: Freeport-McMoRan soared 18%, while the commodity producer Alcoa skyrocketed 10%. Of the Dow's constituents, Caterpillar's 4.3% rally was the strongest performance. The consumption sector was the weakest one in the USA, and the health care sector was also among the losers. On the back of Wednesday's weaker-than-expected earnings report, Merck's stock price fell 2.9% by the end of the day, working off an earlier loss of 3.6%. The tech sector edged higher, as IT's strengthening (IBM: +2.4%, Oracle: +2.1%) was hindered by internet companies' losses (Alphabet: -2.6%, Facebook: -2%). In the absence of market-moving corporate reports, the employment report, the mirror of January developments on the job market, is likely to be in the centre of attention today.

Asia's stock markets closed mixed this morning. The yen, which has been appreciating since the Bank of Japan's measure last week, weighed on exporting companies, including carmakers; this pushed the Nikkei 1.3% lower. The Shanghai Composite closed 0.6% down on the last trading day before the Chinese Lunar New Year holidays start next week; the Hong Kong index increased slightly.

The WTI sank 1.8% yesterday, and the Brent slipped 1.7% by the end of Thursday.

**GOV'T BOND MARKET**

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,70	↓ -2	↓ -13
US 10Y	1,85	↓ -3	↓ -14
JP 2Y	-0,18	↓ -1	↓ -16
JP 10Y	0,05	↓ -4	↓ -17
GER 2Y	-0,49	↓ -1	↓ -4
GER 10Y	0,30	↓ 0	↓ -13

**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	0,00	↑ 0	↑ 0
US 2Y Swap	0,76	↓ -2	↓ -6
US 5Y Swap	1,18	↑ 0	↓ -8
EUR 3M Euribor	-0,17	↓ 0	↓ -1
EUR 2Y Swap	-0,19	↓ 0	↓ -1
EUR 5Y Swap	0,04	↑ 1	↓ -2
GB 3M Libor	0,00	↓ 0	↑ 0
GB 2Y Swap	0,77	↑ 1	↓ -13
GB 5Y Swap	1,09	↑ 2	↓ -17
JP 3M Libor	0,00	→ 0	↓ -4
JP 2Y Swap	-0,15	↓ -2	↓ -13
JP 5Y Swap	-0,12	↓ -5	↓ -14
CHF 3M Libor	0,00	→ 0	↓ 0
CHF 2Y Swap	-0,78	↑ 0	↓ -3
CHF 5Y Swap	-0,50	↑ 4	↓ -1

**COMMODITIES**

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	34,3	↓ -0,52	↓ -1,32
Gold	1 155	↓ -0,07	↑ 3,30

Source: Reuters, OTP Research

Thursday's policy meeting of the Bank of England left the base rate on hold at 0.5%. The dynamic increase in UK home prices persisted: real property prices rose by 1.7% in January, beating expectations, and the December reading was revised up too.

In the United States, the weekly labour market data signify a stronger-than-expected growth in unemployment. Thursday's data on December factory orders also caused disappointment; orders fell sharper in month/month comparison than had been expected. The January labour market report is due out today, which is closely watched by investors and economic policy makers alike.

In Germany, the fall in industrial orders in December also exceeded expectations.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	UK	Feb	Base rate (%)	0,5	0,5	0,5
	UK	Jan	Halifax house price index (mom, %)	1,7	0,3	2,0
	CZ	Feb	Base rate (%)	0,05	-	0,05
	US	Dec	Factory orders (mom, %)	-2,9	-2,8	-0,7
Friday	DE	Dec	Industrial orders (mom, %)	-0,7	-0,5	1,5
	US	Jan	Non-farm payrolls ('000)		190	292
	US	Jan	Manufacturing payrolls ('000)		-2	8
	US	Jan	Unemployment (%)		5,0	5,0

Source: Reuters, OTP Research

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