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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	15 915	↓ -0,62	↓ -2,58
S&P500	1 852	↓ -0,02	↓ -3,17
Nasdaq100	3 966	↑ 0,47	↓ -4,93
Russell2000	963	↓ -0,04	↓ -5,06
Stoxx600	315	↑ 1,87	↓ -4,32
DAX	9 017	↑ 1,55	↓ -4,43
FTSE 100	5 672	↑ 0,71	↓ -2,82
CAC40	4 061	↑ 1,59	↓ -3,92
ATX	2 002	↑ 1,50	↓ -4,33
IBEX35	8 144	↑ 2,73	↓ -2,05
Nikkei 225	15 713	→ 0,00	↓ -7,81
Hang Seng	18 490	↓ -4,14	↓ -3,61
SSEC	2 763	→ 0,00	↓ -0,63
SENSEX	23 494	↓ -1,12	↓ -0,60
RTS	697	↑ 0,90	↓ -0,05
Bovespa	40 377	↓ -0,53	↑ 1,99

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1289	↓ -0,02	↑ 0,68
EUR/CHF	1,0990	↑ 0,04	↓ -1,41
USD/GBP	1,4520	↑ 0,34	↓ -0,46
USD/JPY	112,60	↓ -0,64	↓ -3,55
AUD/USD	0,7098	↑ 0,04	↓ -1,40
USD/CAD	1,3947	↑ 0,17	↑ 1,43
USD/RUB	78,78	↓ -0,96	↑ 2,77

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	26,3	↓ -0,3	↑ 4,6
CDS 5Y PIIS	26	↑ 7,0	↑ 20,2
CDS 5Y Italy	129	↑ 1,3	↑ 18,2
CDS 5Y Belg.	126	↑ 2,8	↑ 3,0
iTraxx 5Y EU	34,2	↓ -2,5	↑ 12,9
US TED Spread	116,8	→ 0,0	↑ 2,4

Source: Reuters, OTP Research

Summary

- Europe's stock indices temporarily rose yesterday, but the selling pressure re-intensified today.
- US markets performed mixed on Wednesday.
- The JPY has strengthened against the US dollar.

In Wednesday's supportive sentiment on Europe's equity markets, the Stoxx600 rose by 1.9%, the DAX and the CAC40 gained 1.6% each, and the FTSE100 added 0.7%. Three German carmakers (BMW, Daimler, and Volkswagen) recalled all vehicles sold in the USA and equipped with Takata airbags; this measure affects 2.5 million vehicles. Today's trading saw a renewed selling wave, Western Europe's indices sank 3-4%, and those in Eastern Europe dipped 1-2% in the morning.

US markets ended mixed. The Dow shed 0.6%, the Nasdaq100 inched up 0.5%, the S&P500 and the Russel2000 closed nearly flat. The figures in Tesla's quarterly report missed expectations. Its net loss was USD 114 million, whereas analysts had forecast USD 23 million profit. Yet its stock price surged 10% yesterday. It is unlikely that the Fed would need to reduce rates again, chair Janet Yellen said in her testimony yesterday.

Asia's stock markets closed rather weak this morning. The Hang Seng fell 4.1%, and the Sensex closed 1.1% lower. China's and Japan's stock markets were closed for holiday.

The USD opened 0.9% stronger against the EUR, before a wobble returned the cross to the morning's levels. The JPY gained 0.64% versus the greenback. The USD/JPY sank deeper this morning.

Recovering from the morning's sinking, the Brent crude's price grew by 4% when the US oil inventory figure came out yesterday, showing that inventories shrank by 800,000.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,70	→	0	↓	-2
US 10Y	1,74	→	0	↓	-15
JP 2Y	-0,24	→	0	↓	-7
JP 10Y	0,00	↑	2	↓	-9
GER 2Y	-0,51	→	0	↓	-3
GER 10Y	0,23	↑	2	↓	-7

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	0,71	↓	0	↓	-6
US 5Y Swap	1,07	↑	1	↓	-11
EUR 3M Euribor	-0,18	↓	0	↓	-1
EUR 2Y Swap	-0,18	↓	-1	↑	1
EUR 5Y Swap	0,03	↓	-1	↓	-1
GB 3M Libor	0,00	↓	0	↓	0
GB 2Y Swap	0,75	↑	3	↓	0
GB 5Y Swap	0,98	↑	2	↓	-9
JP 3M Libor	0,00	↓	-1	↓	-3
JP 2Y Swap	-0,13	→	0	↓	0
JP 5Y Swap	-0,13	↓	0	↓	-6
CHF 3M Libor	0,00	↓	-1	↓	-1
CHF 2Y Swap	-0,83	↓	-2	↓	-5
CHF 5Y Swap	-0,57	↓	0	↓	-3

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	30,7	↓	-0,39	↓	-10,85
Gold	1 208	↑	0,95	↑	4,60

Source: Reuters, OTP Research

Britain's December industrial output statistics show 1.1% month-on-month contraction, which is significantly lower than what analysts had predicted (-0.1%).

Switzerland's January inflation statistics show 1.3% drop in consumer prices from the same month of 2015.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	UK	Dec	Industrial output (mom, %)	-1,1	-0,1	-0,7
	IT	Dec	Industrial output (mom, %)	-1	0	-1
	US	Feb	Janet Yellen speech (House Financial Services Committee)	-	-	-
	US	Jan	Federal budget (billion dollar)	55,2	45,0	-14,0
Thursday	CH	Jan	Consumer price index (yoy, %)	-1,3	-1,3	-1,3

Source: Reuters, OTP Research

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