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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	15 660	↓ -1,60	↓ -4,61
S&P500	1 829	↓ -1,23	↓ -4,51
Nasdaq100	3 962	↓ -0,10	↓ -4,93
Russell2000	954	↓ -1,01	↓ -3,27
Stoxx600	304	↓ -3,68	↓ -7,66
DAX	8 753	↓ -2,93	↓ -6,82
FTSE 100	5 537	↓ -2,39	↓ -6,13
CAC40	3 897	↓ -4,05	↓ -7,85
ATX	1 957	↓ -2,23	↓ -7,42
IBEX35	7 746	↓ -4,88	↓ -8,52
Nikkei 225	15 713	→ 0,00	↓ -6,58
Hang Seng	18 366	↓ -0,97	↓ -4,78
SSEC	2 763	→ 0,00	→ 0,00
SENSEX	22 766	↓ -0,81	↓ -0,60
RTS	671	↓ -3,63	↓ -9,13
Bovespa	39 318	↓ -2,62	↓ -3,68

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1321	↑ 0,28	↑ 1,41
EUR/CHF	1,1008	↑ 0,16	↓ -0,52
USD/GBP	1,4475	↓ -0,31	↓ -0,17
USD/JPY	111,82	↓ -0,52	↓ -4,34
AUD/USD	0,7093	↓ -0,21	↑ 0,44
USD/CAD	1,3912	↓ -0,15	↓ -0,01
USD/RUB	79,27	↓ -1,09	↑ 2,27

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	28,1	↑ 1,9	↑ 6,3
CDS 5Y PIIS	28	↑ 13,6	↑ 35,2
CDS 5Y Italy	143	↑ 8,2	↑ 28,9
CDS 5Y Belg.	136	↑ 3,8	↑ 6,2
iTraxx 5Y EU	36,4	↓ -2,5	↑ 12,9
US TED Spread	116,8	→ 0,0	↑ 0,2

Source: Reuters, OTP Research

Summary

- The world's equity markets were under selling pressure on Thursday.
- Banking shares had a bad day on both sides of the Atlantic.
- Oil production may be reduced, the United Arab Emirates' Energy Minister suggested.

Global capital markets were under selling pressure yesterday as investor sentiment was ruled by re-intensified fears about the low oil price and the decelerating world economy. In Western Europe, the DAX shrank 2.93%, the CAC40 fell 4.05%, and the FTSE 100 was 2.39% down. Financial institutions' stocks took the hardest hit. Of the DAX's components, Commerzbank AG nose-dived 6.57%, Deutsche Bank AG plunged 6.14%, and Allianz SE contracted by 5.28%. Nose-diving 12.57% made Societe Generale Group the loser of the day in France, largely owing to the smaller-than-expected profit in its Q4 report.

Due to the ailing European markets, trading in the USA opened on a weak note, with banking shares seeing the most painful losses. The Dow ended 1.6% lower, the S&P500 dropped 1.23%, the Nasdaq100 shed 0.1%, and the Russell2000 slipped 1.01%. Investors closely watched oil prices as well as Janet Yellen's testimony before the Congress. The Fed Chair could not rule out negative interest rates on deposits, when this topic resurfaced. At the end of the day, the direction of trading reversed when Dow Jones news quoted the Energy Minister of the United Arab Emirates as saying that OPEC members were prepared to cooperate in reducing oil production.

This morning the Hang Seng closed 1.22% lower. China's stock markets are still closed for holidays.

The EUR firmed yesterday against both the USD and the CHF. The greenback was ailing compared to the key currencies.

The oil market opened in the red, but the announcement on the possibility of reducing OPEC's output triggered an increase in the price of the Brent, which nearly reach 32 USD/barrel by the close.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,66	↓ -3	↓ -4
US 10Y	1,66	↓ -2	↓ -19
JP 2Y	-0,22	↓ -22	↓ -4
JP 10Y	-0,02	↓ -2	↓ -7
GER 2Y	-0,52	↓ -1	↓ -2
GER 10Y	0,22	↓ -1	↓ -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	↓ 0
US 2Y Swap	0,68	↑ 0	↓ -9
US 5Y Swap	1,04	↑ 2	↓ -16
EUR 3M Euribor	-0,18	↓ 0	↓ -1
EUR 2Y Swap	-0,19	↑ 0	↑ 0
EUR 5Y Swap	0,04	↑ 0	↓ -2
GB 3M Libor	0,00	↑ 0	↑ 0
GB 2Y Swap	0,68	↓ -7	↑ 3
GB 5Y Swap	0,87	↓ -11	↓ -22
JP 3M Libor	0,00	↑ 1	↓ -2
JP 2Y Swap	-0,12	↑ 2	↑ 3
JP 5Y Swap	-0,07	↑ 7	↑ 5
CHF 3M Libor	0,00	↓ 0	↓ -1
CHF 2Y Swap	-0,87	↓ -4	↓ -9
CHF 5Y Swap	0,00	↓ -2	↓ -9

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	31,5	↑ 4,69	↓ -7,60
Gold	1 244	↓ -0,19	↑ 6,04

Source: Reuters, OTP Research

A raft of fourth-quarter GDP data is due out from all parts of Europe today.

Germany's economic output grew by 2.1% year/year in Q4, somewhat missing analysts' consensus (2.3%). The same reading from Romania, at 3.7%, was also short of expectations (3.8%).

Today the United States will publish the December gauge of business inventories and the January retail sales data. In both cases, analysts expect improvement in both month/month data from the previous month's figure. The preliminary February figure of the University of Michigan's consumer sentiment index is also due out today.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	CH	Jan	Consumer price index (yoy, %)	-1,3	-1,3	-1,3
Friday	DE	Q4	GDP (flash, yoy, %)	2,1	2,3	1,8
	DE	Q4	GDP (flash, yoy, %)	0,3	0,3	0,3
	DE	Jan	CPI (yoy, %)	0,5	0,5	0,5
	RO	Q4	GDP (flash, yoy, %)	3,7	3,8	3,6
	CZ	Jan	CPI (yoy, %)	0,6	0,5	0,1
	SK	Q4	GDP (flash, yoy, %)	4,2	3,9	3,7
	PL	Q4	GDP (yoy, %)	3,9	3,8	3,5
	EZ	Dec	Industrial production (mom, %)		0,3	-0,7
	EZ	Q4	GDP (flash, yoy, %)		1,5	1,6
	EZ	Q4	GDP (flash, qoq, %)		0,3	0,3
	PL	Jan	CPI (yoy, %)		-0,5	-0,5
	US	Jan	Retail sales (mom, %)		0,1	-0,1
US	Feb	U Michigan Sentiment (flash, point)		92,0	92,0	
US	Dec	Business Inventories (mom, %)		0,1	-0,2	

Source: Reuters, OTP Research

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