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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	15 974	⇒ 0,00	⇒ 0,00
S&P500	1 865	⇒ 0,00	⇒ 0,00
Nasdaq100	4 019	⇒ 0,00	⇒ 0,00
Russell2000	972	⇒ 0,00	⇒ 0,00
Stoxx600	322	↑ 2,99	↑ 2,35
DAX	9 207	↑ 2,67	↑ 2,53
FTSE 100	5 824	↑ 2,04	↑ 2,37
CAC40	4 115	↑ 3,01	↑ 1,20
ATX	2 099	↑ 3,24	↑ 3,60
IBEX35	8 179	↑ 3,26	↑ 0,70
Nikkei 225	16 054	↑ 0,20	↓ -0,19
Hang Seng	19 145	↑ 1,20	↓ -0,74
SSEC	2 835	↑ 3,25	↑ 2,60
SENSEX	23 433	↓ -0,52	↓ -0,60
RTS	707	↑ 2,51	↑ 0,46
Bovespa	40 093	↑ 0,72	↓ -1,23

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1153	↓ -0,94	↓ -1,15
EUR/CHF	1,1008	↑ 0,17	↑ 0,38
USD/GBP	1,4433	↓ -0,50	↓ -0,26
USD/JPY	114,35	↓ -0,19	↓ -0,65
AUD/USD	0,7150	↑ 0,18	↑ 1,15
USD/CAD	1,3765	↓ -0,49	↓ -0,71
USD/RUB	76,32	↓ -0,82	↓ -4,30

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	25,4	↓ -2,7	↑ 2,0
CDS 5Y PIIS	25	↓ -1,0	↑ 31,2
CDS 5Y Italy	142	↓ -6,8	↑ 16,4
CDS 5Y Belg.	130	↑ 0,1	↑ 6,4
iTraxx 5Y EU	36,5	↓ -4,0	↓ -7,3
US TED Spread	114,0	⇒ 0,0	↑ 0,1

Source: Reuters, OTP Research

Summary

- The optimism in Western Europe persisted yesterday; the banking sector picked up, and the weakening euro helped car exporters. Angloamerican's earnings report revealed huge losses.
- Oil prices marched higher: the Brent and the WTI advanced 4.4% and 6% respectively. The biggest oil producers are likely to meet today.
- China's stock indices advanced on the back of cheering lending statistics.

Friday's cheerfulness on stock markets continued on Monday; America was closed. The Stoxx600 index grew by 3%, with all sector indices climbing higher. Greece's and Italy's banks fuelled the bank rally, while carmakers benefited from the weakening euro. Commodity producers stand nearly 20% above their January lows. To an extent, the optimism may have stemmed from the fact that China's stock markets, re-opening after a week-long break, did not collapse (despite the much-worse-than-expected trade statistics) – probably comments by the People's Bank of China to help the yuan came handy too. The stock indices of Greece, Italy, and Spain closed more than 3% higher, and the DAX advanced 2.7%. Greece's index soared more than 7%, mostly owing to banking shares: Eurobank Ergasias, Piraeus Bank, and the National Bank of Greece all sky-rocketed 27-30% on Monday. Demand for other banks also picked up; Italy's Banca Monte dei Paschi di Siena shot up 9.2%, and the stock price of Danske Bank (which outstripped Deutsche Bank in terms of market value this year) jumped 6% higher, after committing itself not to pass the costs from the negative interest rate onto retail clients. Credit Suisse, which also rocked bottom last week, regained 2.7%, and HSBC upped 1.4%. Utility companies also climbed higher: E.On and RWE gained more than 4% yesterday. LafargeHolcim, the building materials giant was supported by the strong demand for the assets it is putting up for sale in India.

The positive sentiment in Western Europe did not abate this morning. The optimism was supported by the surprisingly good statistics on yuan-denominated new loans in China, and by ECB President Mario Draghi's Monday speech. The higher oil price is helping the energy sector; the Brent soared 4.4%, the WTI skyrocketed 6%, while Saudi Arabia, Russia, Qatar and Venezuela are to discuss oil production issues. Simultaneously with the rising oil price, the RUB also started to appreciate. The price of copper is picking up too. AngloAmerican, whose rating was downgraded to junk by Moody's yesterday, reported a mega loss of USD 5.6 billion in full year 2015, doubling the previous year's losses. The company is selling even more mines in a bid to bring down its debt.

Most of Asia's indices closed in the green this morning; apparently, the better-than-expected lending data from China have re-established investors' confidence in China. The Shanghai Composite ended 3.3% higher, and the Hong Kong benchmark added 1.2%.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,73	↑	73	↑	7
US 10Y	1,77	↑	177	↑	3
JP 2Y	-0,15	↑	2	↑	5
JP 10Y	0,08	↑	1	↑	6
GER 2Y	-0,50	↑	3	↓	-1
GER 10Y	0,28	↑	6	↓	-2

CENTRAL BANKS' RATES

	Rate (%)		6M Consensus		1Y Consensus
Fed Funds	0	↑	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	↑	3
US 5Y Swap	1,12	↑	2	↑	1
EUR 3M Euribor	-0,18	→	0	↓	-1
EUR 2Y Swap	-0,16	↓	-1	↑	0
EUR 5Y Swap	0,04	↓	-3	↑	0
GB 3M Libor	0,00	↓	0	↓	0
GB 2Y Swap	0,75	↑	1	↑	8
GB 5Y Swap	0,99	↑	1	↑	1
JP 3M Libor	0,00	↓	-1	↓	-2
JP 2Y Swap	-0,11	↓	-1	↑	8
JP 5Y Swap	-0,07	↓	-1	↑	13
CHF 3M Libor	0,00	↑	1	↓	-2
CHF 2Y Swap	-0,84	↓	-2	↓	-6
CHF 5Y Swap	-0,58	↓	-1	↓	0

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	34,9	↑	4,40	↑	14,97
Gold	1 201	↓	-0,72	↑	1,02

Source: Reuters, OTP Research

China's statistics on yuan-denominated new lending has beaten expectations: following the CNY 600 billion growth in December, it expanded by 2.500 billion in January.

Germany's ZEW investor survey is due out today. In the USA, the New York Fed manufacturing index may attract investors' attention.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	JP	Q4	GDP (qoq, annualised, %)	-1,4	-1,2	1,0
	CN	Jan	Import (yoy, %)	-18,8	-0,8	-7,6
	CN	Jan	Export (yoy, %)	-11,2	-1,9	-1,4
Tuesday	JP	Dec	Machinery orders (yoy, %)		-3,1	1,2
	CN	Jan	New Yuan loans (CNY bn)	2 510,0	1 800,0	597,8
	DE	Feb	ZEW Economic Sentiment Index (points)		0,0	10,2
	GB	Jan	CPI (yoy, %)		0,3	0,2
	US	Feb	New York Fed Manufacturing Index (points)		-10,0	-19,4

Source: Reuters, OTP Research

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