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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 454	↑ 1,59	↑ 3,39
S&P500	1 927	↑ 1,65	↑ 4,05
Nasdaq100	4 199	↑ 2,38	↑ 5,87
Russell2000	1 011	↑ 1,54	↑ 6,02
Stoxx600	329	↑ 2,62	↑ 4,31
DAX	9 377	↑ 2,65	↑ 3,99
FTSE 100	6 030	↑ 2,87	↑ 6,31
CAC40	4 233	↑ 2,99	↑ 4,24
ATX	2 163	↑ 3,75	↑ 8,06
IBEX35	8 365	↑ 2,79	↑ 2,72
Nikkei 225	16 197	↑ 2,28	↑ 3,08
Hang Seng	19 305	↑ 2,01	↑ 4,10
SSEC	2 862	↓ -0,19	↑ 4,21
SENSEX	23 533	↑ 0,65	↓ -0,60
RTS	736	↑ 3,84	↑ 5,63
Bovespa	41 631	↑ 1,67	↑ 3,11

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1127	↓ -0,13	↓ -1,61
EUR/CHF	1,1041	↑ 0,22	↑ 0,32
USD/GBP	1,4294	↓ -0,06	↓ -1,25
USD/JPY	113,95	↓ -0,11	↑ 1,37
AUD/USD	0,7149	↓ -0,46	↑ 0,58
USD/CAD	1,3672	↑ 0,04	↓ -1,87
USD/RUB	75,57	↑ 0,71	↓ -5,71

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	22,3	↓ -1,8	↓ -4,2
CDS 5Y PIIS	22	↑ 1,7	↑ 14,3
CDS 5Y Italy	144	↑ 0,9	↑ 2,2
CDS 5Y Belg.	130	↓ 0,0	↑ 3,8
iTraxx 5Y EU	36,5	↓ -0,7	↓ -6,0
US TED Spread	113,3	⇒ 0,0	↑ 0,3

Source: Reuters, OTP Research

Summary

- Investor sentiment was positive on the world's stock markets on Wednesday.
- US monetary policy decision-makers are cautious about further rate hikes, the January Fed minutes showed.
- The Brent's price bounced higher yesterday.

Wednesday's positive sentiment on the world's equity markets was supported by the rising oil prices.

Stock indices in Europe made nice gains yesterday: the Stoxx600 rallied 2.6%, the DAX advanced 2.7%, and the CAC40 soared 3%, and the FTSE100 surged 2.9%. OMV's Q4 earnings report was well short of expectations regarding the exploration segment's profit; only its refining business was profitable. The oil company's operating profit of EUR 187 million missed analysts' expectations (EUR 225 million). The company is ready to pay 1 EUR per share in dividends, less than the 1.25 paid last year. The oil shares slipped 3.3% on the news.

America's key indices also fared well on Wednesday. The Dow was up 1.6%, the S&P500 gained 1.7%, and the NASDAQ100 added 2.4%. This was the first time since December for US equity markets to see a three-day winning streak. Of the Dow's components, the Chevron energy company and Boeing made impressive gains (+4.13% and +3.32% respectively). On the technology front, Google grew by 2.5%, after announcing that Google Ideas will separate from Google Search, and continues as an independent technology development incubator.

Most of Asia's stock indices closed higher this morning. The Nikkei225 added 2.3%, the Hang Seng upped by 2.0%, while the SSEC was down 0.2%.

The Brent crude sky-rocketed 11.9% on Wednesday, hitting 35 USD/barrel. One of the reasons could be Iran's announcement to back the OPEC-Russia agreement on trimming output. In addition, S&P has downgraded the debt rating of Saudi Arabia, the largest crude oil producer of the world, from A- to A-2. Standard & Poors' rationale cited the lasting effect of the low oil prices on the country's budget. The rating agency does not expect the OPEC-Russia agreement to have an important effect on oil prices.

The USD firmed 0.1% versus the EUR, while the CHF lost 0.2% against the single currency.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,75	↑	2	↑	6
US 10Y	1,81	↑	3	↑	13
JP 2Y	-0,15	↑	1	↓	-15
JP 10Y	0,05	↑	1	↑	5
GER 2Y	-0,50	↑	0	↑	0
GER 10Y	0,25	↓	-1	↑	2

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	0,77	↓	-1	↑	9
US 5Y Swap	1,15	↑	0	↑	13
EUR 3M Euribor	-0,19	↓	0	↓	-1
EUR 2Y Swap	-0,16	↓	-1	↑	3
EUR 5Y Swap	0,05	↓	0	↑	1
GB 3M Libor	0,00	→	0	↑	0
GB 2Y Swap	0,78	↑	3	↑	0
GB 5Y Swap	1,03	↑	5	↑	5
JP 3M Libor	0,00	↓	0	↓	0
JP 2Y Swap	-0,14	↓	-4	↑	0
JP 5Y Swap	-0,10	↓	-4	↑	4
CHF 3M Libor	0,00	→	0	↓	-1
CHF 2Y Swap	-0,86	↓	-1	↓	-3
CHF 5Y Swap	-0,62	→	0	↓	-2

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	34,7	↑	0,58	↑	15,44
Gold	1 206	↓	-0,20	↓	-3,23

Source: Reuters, OTP Research

Japan's exports and imports shrank by 12.9% and 18% respectively in January, from the same month of the previous year, wrong-footing analysts who had predicted 11.3% and 16% contraction.

Important statistics have been released on the US residential property market. Housing starts were at an annualized 1,199,000 in January, somewhat surpassing analysts' consensus of 1,170,000. The building permits gauge was 1,202,000, nearly matching the 1,200,000 forecast. The January US industrial production statistics show 0.9% month-on-month growth in volume, vastly stronger than analysts' consensus of 0.4%.

The minutes of the Fed's January rate decision reveal that the majority of central bankers was cautious about further rate hikes. They would prefer to see more information about the economy before the Fed could continue with the rate increases.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	JP	Jan	Export (yoy, %)	-12,9	-11,3	-8,0
	JP	Jan	Import (yoy, %)	-18,0	-16,0	-18,0
	UK	Feb	ILO Unemployment rate (%)	5,1	5,0	5,1
	US	Jan	Housing starts (annualized monthly, thousands)	1199,0	1170,0	1149,0
	US	Jan	Building permits (annualized monthly, thousands)	1 202,0	1 200,0	1204,0
	US	Jan	Industrial production (mom, %)	0,9	0,4	-0,4
Thursday	US	Jan	FOMC Minutes from January	-	-	-
	CN	Jan	Consumer price index (yoy, %)	1,8	1,9	1,6
	EZ	Jan	ECB Minutes	-	-	-
	US	Jan	Leading indicators (mom, %)	-	-0,1	-0,2

Source: Reuters, OTP Research

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