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Daily Report – Global Markets



STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 004	↑ 0,60	↑ 2,55
S&P500	2 094	↑ 0,65	↑ 2,56
Nasdaq100	4 569	↑ 0,58	↑ 2,48
Russell2000	1 139	↑ 0,74	↑ 3,04
Stoxx600	344	↑ 0,41	↑ 3,40
DAX	10 120	↑ 0,68	↑ 4,52
FTSE 100	6 354	↑ 0,15	↑ 2,47
CAC40	4 507	↑ 0,26	↑ 4,50
ATX	2 311	↑ 0,34	↑ 2,89
IBEX35	8 882	↑ 0,35	↑ 4,52
Nikkei 225	16 874	↑ 3,68	↑ 5,94
Hang Seng	21 314	↑ 0,72	↑ 3,95
SSEC	3 026	↓ -0,27	↑ 0,06
SENSEX	25 816	⇒ 0,00	↓ -0,60
RTS	900	↓ -0,61	↓ -0,16
Bovespa	52 894	↓ -0,63	↑ 5,44

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1312	↑ 0,28	↓ -0,45
EUR/CHF	1,0909	↓ -0,10	↑ 0,29
USD/GBP	1,4273	↑ 0,56	⇒ 0,00
USD/JPY	108,94	↑ 0,12	↑ 0,38
AUD/USD	0,7792	↑ 0,55	↑ 1,42
USD/CAD	1,2744	↓ -0,28	↓ -0,12
USD/RUB	66,27	↑ 0,15	↑ 0,95

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,4	↓ -0,3	↓ -2,9
CDS 5Y PIIS	13	↓ 0,0	↓ -5,8
CDS 5Y Italy	118	↑ 0,8	↓ -9,2
CDS 5Y Belg.	114	↑ 0,0	↓ -0,9
iTraxx 5Y EU	36,4	↓ -2,3	↓ -7,1
US TED Spread	70,9	⇒ 0,0	↑ 1,2

Source: Reuters, OTP Research

Summary

- Monday morning's slightly negative sentiment on global markets turned positive by the end of the day.
- The strikes that started on Sunday cut Kuwait's oil production by 60%.
- The Nikkei stood 3.6% higher this morning.

The world's largest oil exporting countries' inability to agree on capping production caused negative sentiment on global stock markets early on Monday. But the benchmarks in Europe and America climbed into positive territory by the end of the day. The Stoxx600 and the CAC40 advanced 0.4% each, while the DAX upped by 0.7%, and the FTSE added 0.15%. Daimler and BMW were the top performers within the Stoxx600.

Disproving pessimists' worries, Morgan Stanley fared relatively well in the past quarter, with USD 7.8 billion revenue and USD 0.55 earnings per share; the latter beat expectations of 0.46. That said, the financial institution's revenue shrank by USD 2 billion in a year, owing to the underperforming bond and commodity divisions, which is hardly surprising, given the massive slump in oil prices, the beginning of the Fed's interest rate hikes, and the fears surrounding China's economy. According to The Wall Street Journal's sources, Verizon may buy Yahoo's Chinese division. In a Bloomberg poll 60% of analysts expect that the ECB may embark on a new monetary stimulus at the end of the summer. More than 90% of respondents expect the bond purchase programme to be extended, and 50% of them cannot rule out further cut in deposit rates. Starting from 2018, Russia may plan its budget with 40-50 USD/barrel oil price. If they are higher, the difference will enrich the two state-owned investment funds. Russia used to design its budget based on the average oil price of the previous five years, but the recent huge fall in oil prices made it suspend this practice.

There was positive sentiment in this morning's trading in Asia, following the loss made yesterday. Japan's Nikkei surged 3.7%, fully working off yesterday's 3.5% slump that followed an earthquake in the country. The Hang Seng closed 0.7% higher.

The Brent's price rose by 0.5% this morning. Oil workers in Kuwait have been on strike since Sunday, which slashed the country's oil production by 60%, to 1.7 million barrels.

In Monday's low-volatility trading on FX markets, the US dollar lost 0.3% versus the euro but gained 0.6% from the GBP.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,76	↑	4	↑	6
US 10Y	1,78	↑	6	↑	5
JP 2Y	-0,25	→	0	↓	-1
JP 10Y	-0,11	↑	0	↓	-3
GER 2Y	-0,51	↓	-1	↑	1
GER 10Y	0,13	↓	-5	↑	4

CENTRAL BANKS' RATES

	Rate (%)		6M Consensus		1Y Consensus
Fed Funds	0,5	↑	0,75	↑	1,25
ECB Rate	0,00	↑	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	0,85	↓	0	↑	1
US 5Y Swap	1,17	↑	1	↑	1
EUR 3M Euribor	-0,25	→	0	↑	0
EUR 2Y Swap	-0,16	↑	1	↑	0
EUR 5Y Swap	0,01	↑	2	↑	1
GB 3M Libor	0,00	↓	0	↓	0
GB 2Y Swap	0,81	↑	1	↓	-1
GB 5Y Swap	1,03	↑	4	↑	8
JP 3M Libor	0,00	→	0	↓	0
JP 2Y Swap	-0,15	↓	-1	↓	-1
JP 5Y Swap	-0,11	↓	-1	↓	-1
CHF 3M Libor	0,00	→	0	↑	0
CHF 2Y Swap	-0,74	↑	5	↑	1
CHF 5Y Swap	-0,62	↓	0	↓	0

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	43,1	↑	0,49	↓	-3,51
Gold	1 235	↑	0,31	↓	-1,64

Source: Reuters, OTP Research

Slightly missing expectations, yesterday's release of the NAHB housing price index was at 58 points. Today Japan will publish trade balance data, the ZEW economic sentiment index is due out in Germany, the eurozone's current account balance will see the light of day, and real property statistics will be out in the USA.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	US	Apr	NAHB Housing market index (point)	58,0	59,0	58,0
Tuesday	JP	Mar	Export (yoy, %)		-6,9	-4,0
	JP	Mar	Import (yoy, %)		-16,2	-14,2
	DE	Apr	ZEW Economic Sentiment (point)		8,0	4,3
	EZ	Feb	Current account (SA, EUR)		-	25,40
	PL	Mar	Retail sales (yoy, %)		3,4	3,9
	PL	Mar	Industrial production (yoy, %)		3,0	6,7
	US	Mar	Housing starts (annualized monthly, thousands)		1188,0	1178,0
	US	Mar	Building permits (annualized monthly, thousands)		1200,0	1177,0

Source: Reuters, OTP Research

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