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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 983	↓ -0,63	↑ 0,31
S&P500	2 091	↓ -0,52	↑ 0,42
Nasdaq100	4 541	↑ 0,01	↓ -0,30
Russell2000	1 136	↓ -0,57	↑ 0,43
Stoxx600	350	↓ -0,33	↑ 1,63
DAX	10 436	↑ 0,14	↑ 3,39
FTSE 100	6 381	↓ -0,45	↑ 0,26
CAC40	4 583	↓ -0,20	↑ 1,58
ATX	2 334	↓ -0,37	↑ 0,67
IBEX35	9 197	↑ 0,55	↑ 3,79
Nikkei 225	17 459	↑ 0,55	↑ 3,63
Hang Seng	21 416	↓ -0,95	↑ 0,47
SSEC	2 935	↓ -0,59	↓ -4,64
SENSEX	25 857	↓ -0,09	↓ -0,60
RTS	927	↓ -1,69	↑ 1,41
Bovespa	53 631	↓ -0,15	↑ 0,91

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1286	↓ -0,08	↑ 0,13
EUR/CHF	1,1005	↑ 0,23	↑ 0,77
USD/GBP	1,4321	↓ -0,07	↑ 0,89
USD/JPY	109,93	↑ 0,45	↑ 1,10
AUD/USD	0,7747	↑ 0,13	↑ 0,36
USD/CAD	1,2706	↓ -0,22	↓ -0,88
USD/RUB	66,41	↓ -0,57	↓ -0,01

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	14,0	↑ 0,7	↑ 0,2
CDS 5Y PIIS	14	↓ -0,4	↓ -4,4
CDS 5Y Italy	116	↓ -1,8	↓ -6,1
CDS 5Y Belg.	111	↓ 0,0	↑ 0,3
iTraxx 5Y EU	36,8	↓ -1,3	↓ -7,1
US TED Spread	69,6	⇒ 0,0	↓ -0,1

Source: Reuters, OTP Research

Summary

- Thursday's meeting of the ECB's Governing Council left its rates unchanged.
- Stock markets made subtle moves on both sides of the Atlantic yesterday.
- The Brent's price fell below 45 USD/barrel.

The policy meeting of the European Central Bank's Governing Council was Thursday's key market-moving event. In line with expectations, interest rates were left unchanged. The most important message of Mario Draghi's post-meeting press conference was that the exceptionally loose monetary conditions alone are insufficient to handle the structural problems of the eurozone's economy; they also require fiscal policy solution, he opined. He also warned that the eurozone's growth pace was surrounded by a number of downward risks and inflationary environment was likely to remain low over an extended period of time. Two changes were made to the conditions of the extended asset programme: (1) the maximum expiry of the eligible government bonds was lifted to 30 years; (2) the issue limit (the percentage the ECB can buy of an instrument with a given maturity) was raised to 70%, from 50%. The ECB's President pointed out at his press conference that the measures taken so far had proved efficient and further tools were available to handle any unexpected external shock. After the press conference, details were published about the inclusion of corporate bonds into the asset purchase programme. The purchases, under which the national banks of six countries (Germany, France, Italy, Spain, Belgium and Finland) will buy assets on behalf of the ECB, investment grade corporate bonds with maturities from 6M to 30Y, are likely to begin in June.

There was little volatility in the EUR/USD ahead of the ECB's decision. The euro firmed during the press conference but soon lost steam, thus the EUR/USD closed at 1.13, near its opening price. The dollar outshone the yen yesterday, gaining 0.5% by the end of the day.

There were only subtle moves on Western European markets yesterday, as investors waited to see the ECB' decision. The largest change was the London stock exchange's 0.5% drop. The DAX inched up 0.1%, while the CAC40 closed 0.2% lower. In corporate news, one-offs dented OMV's profit by EUR 35 million in the first quarter, its preliminary report revealed yesterday. The continued slump in oil prices and the lower refinery margins weighed on the figures. Despite the unsupportive news, OMV's share price advanced 0.4% on the Vienna Stock Exchange.

Following the sideways moves made in the morning, crude prices headed south in the afternoon. The Brent slumped below 45 USD/barrel, and the WTI was just above USD 43.

GOV'T BOND MARKET				
	Yield (%)	Daily chg (bp)	Weekly chg (bp)	
US 2Y	0,81	↑ 2	↑	4
US 10Y	1,87	↑ 3	↑	8
JP 2Y	-0,26	↑ 0	↓	-1
JP 10Y	-0,11	↑ 2	↓	-3
GER 2Y	-0,50	↑ 1	↑	2
GER 10Y	0,18	↑ 2	↑	5

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	↑	1
US 2Y Swap	0,92	↓ -1	↑	8
US 5Y Swap	1,26	↓ -2	↑	11
EUR 3M Euribor	-0,25	⇒ 0	↑	0
EUR 2Y Swap	-0,15	↑ 1	↑	2
EUR 5Y Swap	0,03	↑ 3	↑	4
GB 3M Libor	0,00	↑ 0	↑	0
GB 2Y Swap	0,86	↑ 2	↓	-5
GB 5Y Swap	1,11	↑ 8	↑	10
JP 3M Libor	0,00	↓ 0	↓	-2
JP 2Y Swap	-0,18	↓ -3	↓	-5
JP 5Y Swap	-0,12	↓ -2	↓	-2
CHF 3M Libor	0,00	⇒ 0	↑	0
CHF 2Y Swap	-0,73	↑ 2	↑	6
CHF 5Y Swap	0,00	↑ 3	↑	5

COMMODITIES			
	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	45,1	↑ 1,26	↑ 4,62
Gold	1 247	↓ -0,09	↑ 1,11

Source: Reuters, OTP Research

America's indices did not made any bigger moves than their European peers. The Dow and the Russell2000 fell 0.6% each, the S&P500 slipped 0.5%, while the NASDAQ100 ended Thursday's trading flat. On the corporate front, the Q1 earnings report of General Motors printed USD 37.3 billion revenue; USD 2.7 billion operating profit without one-off items, and USD 1.26 earnings per share. The figures surpassed analysts' forecasts. Despite its shrinking global sales, General Motors could boost sales on its most important markets (the USA, Europe and China) in the first quarter. Asia's markets closed mixed this morning. The Hang Seng in Hong Kong fell 0.8%, and China's Shanghai Composite stood 0.2% in the red before the end of trading. Japan's Nikkei225 stood rallied before the end of session on news that next week's meeting of the Bank of Japan considers negative interest rates.

The Markit Purchasing Managers' Indices will be out in Europe and America today.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	UK	Mar	Retail sales (yoy, %)	2,7	4,4	3,8
	UK	Mar	Retail sales (mom, %)	-1,3	-0,1	-0,4
	EZ	Apr	Base rate (loan, %)	0,0	0,0	0,0
	EZ	Apr	Base rate (deposit, %)	-0,4	-0,4	-0,4
	US	Mar	Leading indicators (mom, %)	0,2	0,4	0,1
	EZ	Apr	Consumer confidence index	-9,3	-9,5	-9,7
	Friday	DE	Apr	Markit Manufacturing PMI (flash, point)		51,0
DE		Apr	Markit Service PMI (flash, point)		55,2	55,1
FR		Apr	Markit Manufacturing PMI (flash, point)		49,8	49,6
FR		Apr	Markit Service PMI (flash, point)		50,2	49,9
EZ		Apr	Markit Manufacturing PMI (flash, point)		51,8	51,6
EZ		Apr	Markit Service PMI (flash, point)		53,3	53,1
US		Apr	Markit Manufacturing PMI (flash, point)		52,0	51,5
EZ		Apr	Eurogroup meeting		-	-
EZ		Apr	ECOFIN meeting		-	-

Source: Reuters, OTP Research

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