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Daily Report – Global Markets



STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 990	↑ 0,07	↓ -0,35
S&P500	2 092	↑ 0,19	↓ -0,43
Nasdaq100	4 453	↓ -0,47	↓ -1,85
Russell2000	1 151	↑ 1,11	↑ 0,74
Stoxx600	347	↑ 0,18	↓ -0,55
DAX	10 260	↓ -0,34	↓ -0,87
FTSE 100	6 285	↑ 0,38	↓ -1,89
CAC40	4 533	↓ -0,28	↓ -0,73
ATX	2 313	↓ -0,33	↓ -1,08
IBEX35	9 283	↑ 1,56	↑ 3,47
Nikkei 225	17 293	↓ -0,35	↑ 2,28
Hang Seng	21 356	↓ -0,24	↑ 0,57
SSEC	2 966	↑ 0,03	↓ -0,23
SENSEX	26 043	↑ 0,14	↓ -0,60
RTS	931	↑ 0,38	↑ 0,49
Bovespa	53 083	↑ 2,35	↓ -1,17

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1298	↑ 0,31	↑ 0,04
EUR/CHF	1,0998	↑ 0,12	↑ 0,18
USD/GBP	1,4580	↑ 0,69	↑ 1,74
USD/JPY	111,08	↓ -0,20	↑ 1,14
AUD/USD	0,7633	↓ -1,47	↓ -2,05
USD/CAD	1,2608	↑ 0,05	↓ -0,36
USD/RUB	65,54	↑ 0,50	↑ 0,66

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	14,0	↓ -0,1	↑ 0,7
CDS 5Y PIIS	14	↑ 0,2	↓ -4,4
CDS 5Y Italy	114	↓ 0,0	↓ -5,0
CDS 5Y Belg.	109	↑ 0,6	↑ 0,8
iTraxx 5Y EU	37,2	↑ 3,0	↓ -1,8
US TED Spread	71,3	⇒ 0,0	↓ -3,3

Source: Reuters, OTP Research

Summary

- Western Europe's indices closed with losses on Tuesday, except for the Footsie.
- Flash reports drove US markets yesterday.
- The Brent and the WTI oil both grew by 4%.
- Today is the Fed's rate decision.

By the end of Tuesday, the most important indices in Western Europe sank into the red, except for the British benchmark's uptick. The CAC40, the DAX, and the ATX all lost 0.3% yesterday. The FTSE100's gain largely benefited from BP's 4.3% rally, owing to a vastly-stronger-than-expected quarterly report featuring an after-tax profit of USD 532 million (adjusted with one-offs and asset revaluation). In Germany, Deutsche Bank was the winner of the day with 2.3% surge, and the weakest performer was ThyssenKrupp; the steel manufacturing giant shrank 2.5%. Bayer sank 1.1% by the end of the day, even though its earnings report beat analysts' forecasts. Barclays' first-quarter profit nose-dived 25% but its pre-tax profit dropped less than had been expected, its report said this morning.

America's benchmark indices could climb higher in yesterday's trading, except for the NASDAQ100's 0.5% drop. The Dow inched up 0.1%, the S&P500 rose by 0.2%, and the Russell2000 grew by more than 1%. Procter & Gamble's Q1 figures have surpassed expectations yet its share price fell 2.3% yesterday. DuPont's cheering earnings report led its share price 2.4% higher in Tuesday's session. Apple's quarterly figures missed the already-low expectations. For the first time in 13 years, its revenue contracted as the smartphone market became increasingly saturated in recent years. The tech giant's sales in China, its second largest market after the USA, fell by more than 25%. Its stock price started to fall in after-hours trading.

Sellers outweighed buyers Asia's markets this morning. Hong Kong's Hang Seng and Japan's Nikkei225 closed 0.4% lower, and China's Shanghai Composite stood 0.3% in the red ahead of the close.

Yesterday the EUR appreciated against the USD and CHF. The dollar lost 0.2% against the JPY.

The Brent's price crept above 46 USD/barrel by the end of Tuesday, rising by nearly 4%. Growing at the same rate, the WTI ended the day at 44.6 USD/barrel.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,86	↑	2	↑	10
US 10Y	1,92	↑	2	↑	14
JP 2Y	-0,26	↑	1	↑	0
JP 10Y	-0,09	↓	-3	↑	3
GER 2Y	-0,50	↑	1	↑	0
GER 10Y	0,26	↑	4	↑	9

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	0,94	↓	-2	↑	2
US 5Y Swap	1,31	↓	-1	↑	5
EUR 3M Euribor	-0,25	↓	0	↓	0
EUR 2Y Swap	-0,15	↑	1	↑	1
EUR 5Y Swap	0,07	↑	3	↑	7
GB 3M Libor	0,00	↑	0	↑	0
GB 2Y Swap	0,89	↑	2	↓	-1
GB 5Y Swap	1,19	↑	5	↑	13
JP 3M Libor	0,00	↓	0	↓	-2
JP 2Y Swap	-0,16	↑	0	↓	-1
JP 5Y Swap	-0,09	↑	1	↑	2
CHF 3M Libor	0,00	↓	0	→	0
CHF 2Y Swap	-0,70	↑	1	↑	5
CHF 5Y Swap	0,00	↑	1	↑	4

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	46,3	↑	1,31	↑	1,18
Gold	1 244	↑	0,09	↑	0,03

Source: Reuters, OTP Research

The US durable goods order data for March, released yesterday, have missed expectations by a large margin. The difference was mostly caused by the unexpected fall in orders for commercial aircraft.

Another publication, the consumer sentiment index for April, was also short of forecasts, yet the fundamentals for consumption remain reassuring, and labour market conditions continue to be robust.

Today's most important event, the Fed's rate decision is not expected to change monetary conditions. If the interest rate hikes started in December still continue, that could lead to USD firming.

The GDP data for the first quarter of the year are due out in the United Kingdom today.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	US	Mar	Retail sales (mom, %)	0,8	1,8	-3,0
	US	Feb	Durable goods orders (mom, %)	5,4	5,5	5,7
	US	Apr	Case Shiller 20 (yoy, %)	52,1	-	51,3
	US	Apr	Markit Services PMI (preliminary, points)	94,2	96,0	96,2
Wednesday	UK	Q1	GDP (flash, qoq, %)		0,4	0,6
	UK	Q1	GDP (flash, yoy, %)		2,0	2,1
	US	Mar	Pending Sales Change (mom, %)		-0,1	3,5
	US	Apr	Fed Funds Target Rate (%)		0,25-0,5	0,25-0,5

Source: Reuters, OTP Research

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