

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 493	↓ -0,05	↓ -1,23
S&P500	2 048	↓ -0,21	↓ -0,90
Nasdaq100	4 355	↓ -0,18	↓ -0,58
Russel2000	1 111	↓ -0,08	↑ 1,25
Stoxx600	337	↓ -0,39	↑ 0,59
DAX	9 842	↓ -0,74	↓ -1,11
FTSE 100	6 136	↓ -0,32	↓ -0,24
CAC40	4 325	↓ -0,66	↑ 0,30
ATX	2 205	↑ 0,55	↑ 0,15
IBEX35	8 714	↓ -0,65	↑ 0,37
Nikkei 225	16 499	↓ -0,94	↑ 0,20
Hang Seng	19 730	↓ -0,40	↓ -1,93
SSEC	2 810	↓ -1,20	↓ -1,20
SENSEX	25 219	↓ -0,04	↓ -2,15
RTS	880	↓ -1,52	↓ -5,34
Bovespa	49 330	↓ -0,79	↓ -4,77

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1216	↓ -0,05	↓ -0,87
EUR/CHF	1,1099	↓ -0,12	↑ 0,15
USD/GBP	1,4482	↓ -0,12	↑ 0,14
USD/JPY	109,22	→ 0,00	↑ 0,09
AUD/USD	0,7188	↓ -0,44	↓ -1,83
USD/CAD	1,3167	↑ 0,20	↑ 2,03

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	15,8	↑ 0,6	↑ 1,1
EMBI+ Spread	287	↓ -6	↓ -5
CDS 5Y PIGS	114	↓ -1	↓ 0
CDS 5Y Italy	111	↓ 0	↑ 1
CDS 5Y Belg.	37	↓ 0	↓ -1
iTraxx 5Y EU	78,1	↑ 0	↑ 1
US TED Spread	33,6	→ 0	↓ -2

Source: Reuters, OTP Research

Summary

- Equity markets in Western Europe moved sideways on Monday. Milan's stock exchange fell nearly 3%, dragged down by Italian banking shares, as well as by Fiat, on allegations of cheating with emission data.
- US indices trickled down at the end of trading; Apple was on the mend, while defensive sectors were ailing.
- Asia's markets closed with losses, and Europe is likely to open in the red too.

Most markets in Western Europe moved sideways in Monday's trading; the Stoxx600 closed 0.4% down, the FTSE dipped 0.3%, and the DAX dropped 0.7%. Oil producer and chemical names weighed on the indices, as oil sand production in Canada restarted after the wildfire, sending down the price of crude and that of producers alike. Bayer dragged down the chemical industry; the German giant shrank 5.0% yesterday when details were released about its 62-billion-dollar bid for Monsanto; market assessments found that the plan would make the company's financials rather strained. Bayer lost nearly 11% of its market value over the past three trading days. Fiat Chrysler reversed 4.4% after Germany's transport authority accused the Italian car manufacturer of emission data manipulation. Fiat's downward ride, coupled with the substantial losses suffered by Italian banks, made the Milan stock index (-2.7%) the weakest performer in Western Europe. The brightest star was Greece's ASE index (+1.5%). The country is about to draw an 11-billion-euro loan, if lenders accept the economic targets laid down in the recovery plan, while the IMF warned of the unrealistic growth and fiscal targets set by Greece, as well as the restructuring of its loans. The Thursday meeting of the eurozone's finance ministers will re-negotiate the Greek rescue programme, and possibly the restructuring of its loans, whereas Greece may need new loans to stave off a default in July.

A sudden drop ahead of Monday's close sent the Dow slightly in the red, and the decline in the last hour of trading led the S&P 0.2% lower. A dynamic increase in basic materials producer prices, as well as the gains of the consumer discretionary and real estate sectors were not enough to offset the losses of other sectors in the S&P; the below-forecast PMI reading did not help either. The public utility and the health care sectors saw the sharpest falls. The basic materials sector was fuelled by Monsanto's more than 4% surge, and the consumption sector was driven by Apple's 1.3% rally. On four of the past six trading days, Apple advanced more than 1% each time; as speculation started about its plans to revive iPhone sales. Meanwhile, one of its suppliers, Applied Materials has quadrupled its orders for display parts and other Apple suppliers also reported a rise in technology purchases. Yet the technology segment was ailing yesterday: Microsoft and Facebook fell 1.2% each; telecommunications names also sank. The earnings reports due out later this week include those of Best Buy and Hewlett-Packard.

Asia's stock markets mostly opened on a weak note and failed to climb into positive territory by the close. The Shanghai Composite fell 1.2%, the Nikkei dropped 0.9%, as investors fear of interest rate hikes. The JPY's firming during the day did not benefit Japan's exporting sectors; Japan's finance minister said the government was not planning to further weaken the yen to boost competitiveness.

Crude oil prices fell in Monday's trading; the Brent slipped 0.6% as Canada's oil sand fields resumed production after the wildfire.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,91	↑	3	↑	12
US 10Y	1,84	→	0	↑	9
JP 2Y	-0,23	↑	0	↑	1
JP 10Y	-0,09	↑	2	↑	1
GER 2Y	-0,50	↓	0	↑	1
GER 10Y	0,17	↑	1	↑	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	↑	1	↑	3
US 2Y Swap	1,00	↓	-1	↑	8
US 5Y Swap	1,31	↑	0	↑	7
EUR 3M Euribor	-0,26	→	0	↓	0
EUR 2Y Swap	-0,15	↑	0	↑	0
EUR 5Y Swap	0,02	↑	1	↑	2
GB 3M Libor	0,00	↓	0	↓	0
GB 2Y Swap	0,81	↓	0	↑	2
GB 5Y Swap	1,07	↑	1	↑	7
JP 3M Libor	0,00	↓	0	↑	1
JP 2Y Swap	-0,14	↓	0	↑	2
JP 5Y Swap	-0,10	↓	-1	↑	1
CHF 3M Libor	0,00	↑	0	↑	0
CHF 2Y Swap	-0,73	↑	1	↑	3
CHF 5Y Swap	0,00	↑	0	↑	4

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	48,1	↓	-0,56	↓	-2,44
Gold	1 245	↓	-0,28	↓	-2,70

Source: Reuters, OTP Research

On Monday Markit published PMI data for the economies of the eurozone and the USA. Germany's manufacturing and services indices signify improvement, and the new reading has exceeded expectations. However, the eurozone PMI was short of the forecasts in both sectors, moreover, the manufacturing one signified a minor deterioration. The US manufacturing PMI slightly worsened in May, compared to the April gauge.

Germany's detailed GDP data, published this morning, matched the preliminary release. The ZEW investor confidence index is due out today; analysts polled by Reuters expect a slight improvement.

In the United States, new home sales statistics for April will see the light of day today.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	JP	Apr	Export (yoy, %)	-10,1	-10,0	-6,8
	JP	Apr	Import (yoy, %)	-23,3	-19,0	-14,9
	DE	May	Markit Manufacturing PMI (flash, points)	52,4	52,0	51,8
	DE	May	Markit Services PMI (flash, points)	55,2	54,5	54,5
	EZ	May	Markit Manufacturing PMI (flash, points)	51,5	51,9	51,7
	EZ	May	Markit Services PMI (flash, points)	53,1	53,2	53,1
	EZ	May	Consumer Confidence (flash, points)	-7,0	-9,0	-9,3
	US	May	Markit Manufacturing PMI (flash, points)	50,5	51,0	50,8
	Tuesday	DE	Q1	GDP, 2nd reading (qoq, %)	0,7	0,7
DE		Q1	GDP, 2nd reading (yoy, %)	1,3	1,6	1,3
DE		May	ZEW investor sentiment (points)		12,0	11,2
US		Apr	New home sales (mom, %)		2,0	-1,5
US		Apr	New home sales ('000)		523	511

Source: Reuters, OTP Research

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