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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 930	↑ 1,33	↓ -0,45
S&P500	2 099	↑ 1,36	↓ -0,68
Nasdaq100	4 418	↑ 1,21	↓ -1,11
Russell2000	1 152	↑ 1,80	↑ 2,16
Stoxx600	330	↑ 1,04	↓ -4,75
DAX	9 680	↑ 0,71	↓ -5,62
FTSE 100	6 504	↑ 2,27	↑ 2,62
CAC40	4 237	↑ 1,00	↓ -5,11
ATX	2 096	↑ 0,91	↓ -6,52
IBEX35	8 163	↑ 0,72	↓ -8,13
Nikkei 225	15 682	↑ 0,68	↓ -3,42
Hang Seng	20 794	→ 0,00	↑ 2,64
SSEC	2 936	↑ 0,23	↑ 2,88
SENSEX	27 183	↑ 0,68	↓ -0,60
RTS	931	↓ -0,06	↓ -1,10
Bovespa	51 527	↑ 1,03	↓ -0,06

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1104	↓ -0,17	↓ -0,30
EUR/CHF	1,0837	↓ -0,54	↑ 0,18
USD/GBP	1,3306	↓ -0,88	↓ -2,72
USD/JPY	102,69	↓ -0,54	↑ 0,49
AUD/USD	0,7446	↓ -0,05	↓ -0,16
USD/CAD	1,2963	↑ 0,31	↓ -0,29
USD/RUB	64,08	↑ 0,51	↓ -1,02

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	15,6	↓ -1,0	↓ -1,6
CDS 5Y PIIS	16	↑ 18,5	↑ 30,4
CDS 5Y Italy	156	↓ -10,3	↑ 11,3
CDS 5Y Belg.	128	↓ -2,0	↑ 5,0
iTraxx 5Y EU	41,9	↓ -1,9	↑ 8,9
US TED Spread	83,4	→ 0,0	↑ 2,8

Source: Reuters, OTP Research

Summary

- Investor sentiment was positive on global markets in Thursday's trading.
- Deutsche Bank and Santander failed the Fed's stress test, thus they are not allowed to pay dividend or buy back shares.
- The Bank of England hinted at new monetary policy easing.

In Thursday's buoyant trading on global markets, the key stock indices worked off most of the massive falls that followed last week's Brexit vote. The Stoxx600 fell 1%, while the DAX upped by 0.7%, the CAC40 advanced 1%, and the FTSE100 rallied 2.27%. In the USA, the S&P500 gained 1.4%.

Unlike 31 other banks, Deutsche Bank and Santander failed the Fed's stress test. Consequently they are barred from dividend payment and share buy-backs in their US operation until their capital reaches a level that is seen sufficient in a recession environment simulated by the Fed.

In response to the market turbulence triggered by Brexit and the worsened growth prospects, the Bank of England hinted at a new monetary stimulus measures. The decision will be made during the BoE's next rate-setting meeting, in July. After the announcement, the pound fell 0.9% versus the US dollar.

S&P has downgraded the European Union's credit rating from AA+ to AA. In the agency's assessment, Brexit weakens the EU's budgetary flexibility and cohesion within the community. Previously, S&P considered the solidarity within the EU a positive element to the credit rating but Brexit put this view into neutral status. S&P expects the remaining 27 countries to confirm their commitment towards the union.

Asia's markets opened with modest gains this morning. The Nikkei rose by 0.7%, and the SSEC added 0.23%. The growth can be put down to the slightly-better-than-expected purchasing managers' indices and to Japan business confidence index, which has beaten expectations.

The Brent oil's price was seen 0.4% higher this morning, drawing near 50 USD/barrel again. Over the past five trading days, it has increased by 3% altogether.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,59	↓ -5	↓ -16
US 10Y	1,47	↓ -4	↓ -21
JP 2Y	-0,29	↓ 0	↓ -6
JP 10Y	-0,22	↑ 1	↓ -8
GER 2Y	-0,65	↑ 2	↓ -7
GER 10Y	-0,11	↑ 0	↓ -17

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	↑ 2	↑ 1
US 2Y Swap	0,70	↓ -1	↓ -4
US 5Y Swap	0,93	↓ -1	↓ -9
EUR 3M Euribor	-0,29	↓ 0	↓ -2
EUR 2Y Swap	-0,23	↓ -3	↓ -5
EUR 5Y Swap	-0,10	↑ 2	↓ -6
GB 3M Libor	0,00	↑ 0	↓ -3
GB 2Y Swap	0,49	↓ -8	↓ 0
GB 5Y Swap	0,58	↓ -5	↓ -49
JP 3M Libor	0,00	↑ 0	↑ 0
JP 2Y Swap	-0,17	↓ -2	↓ 0
JP 5Y Swap	-0,19	↓ -3	↓ -4
CHF 3M Libor	0,00	↑ 1	↓ -2
CHF 2Y Swap	-0,88	↓ -3	↓ -8
CHF 5Y Swap	-0,76	↓ -4	↓ -13

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	49,9	↑ 0,38	↑ 3,02
Gold	1 332	↑ 0,78	↑ 1,26

Source: Reuters, OTP Research

Today Japan and China will publish purchasing managers' indices, Japan is to release consumer confidence index and inflation data. Elsewhere, the eurozone unemployment rate is due out.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Thursday	DE	May	Retail sales (mom, %)	0,9	0,7	-0,9
	RO	Jun	Interest rate decision (%)	1,8	1,8	1,8
	UK	Q1	GDP (detailed, qoq, %)	0,4	0,4	0,4
	UK	Q1	GDP (detailed, yoy, %)	2,0	2,0	2,0
	EZ	Jun	Core CPI (flash, yoy, %)	0,8	0,8	0,8
	EZ	Jun	CPI (flash, yoy, %)	0,1	0	-0,1
	CZ	Jun	Interest rate decision (%)	0,05	0,05	0,1
	EZ	Jun	ECB Monetary Policy Meeting Accounts	-	-	-
	US	Jun	Chicago PMI (point)	56,8	50,7	49,3
	Friday	CN	Jun	NBS non-manufacturing PMI (point)	54	-
CN		Jun	NBS Manufacturing PMI (point)	-	50,0	50,1
CN		Jun	Caixin Manufacturing (point)	-	49,1	49,2
JP		Jun	Manufacturing PMI (point)	-	-	47,8
JP		Jun	Consumer confidence (point)	-	-	40,9
JP		Jun	CPI (yoy, %)	-	-	-0,3
JP		Jun	core-CPI (yoy, %)	-	-0,4	-0,3
EZ		May	Unemployment (%)	-	10,1	10,2
EZ		Jun	Manufacturing PMI (point)	-	52,6	52,6
DE		Jun	Manufacturing PMI (point)	-	54,4	54,4
IT		Jun	Manufacturing PMI (point)	-	52,5	52,4
FR		Jun	Manufacturing PMI (point)	-	47,9	47,9
UK		Jun	Manufacturing PMI (point)	-	49,9	50,1
US		Jun	Manufacturing PMI (point)	-	-	51,4
US		May	Construction spending (mom, %)	-	0,6	-1,8
US	Jun	Vehicle sales (annualized monthly, million)	-	17,4	17,5	

Source: Reuters, OTP Research

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