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Daily Report – Global Markets



STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 533	↑ 0,09	↑ 1,68
S&P500	2 167	↑ 0,24	↑ 1,39
Nasdaq100	4 620	↑ 0,65	↑ 1,43
Russell2000	1 208	↑ 0,22	↑ 0,17
Stoxx600	339	↑ 0,23	↑ 1,80
DAX	10 063	↓ -0,04	↑ 2,34
FTSE 100	6 695	↑ 0,39	↑ 0,19
CAC40	4 358	↓ -0,34	↑ 2,19
ATX	2 220	↑ 0,04	↑ 5,19
IBEX35	8 524	↓ -0,08	↑ 2,64
Nikkei 225	16 723	↑ 1,37	↑ 6,46
Hang Seng	21 701	↓ -0,47	↑ 2,24
SSEC	3 025	↓ -0,63	↓ -0,82
SENSEX	27 735	↓ -0,04	↓ -0,60
RTS	969	↑ 0,59	↑ 2,97
Bovespa	56 484	↑ 1,63	↑ 4,68

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1071	↑ 0,33	↑ 0,11
EUR/CHF	1,0877	↑ 0,31	↓ -0,49
USD/GBP	1,3255	↑ 0,49	↑ 0,10
USD/JPY	105,88	↓ -0,25	↑ 1,14
AUD/USD	0,7508	↓ -1,08	↓ -1,48
USD/CAD	1,2983	↑ 0,31	↓ -0,44
USD/RUB	62,85	↑ 0,04	↓ -1,39

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,4	↓ -0,2	↓ -1,1
CDS 5Y PIIS	12	↑ 2,1	↓ -7,8
CDS 5Y Italy	121	↑ 5,0	↓ -6,9
CDS 5Y Belg.	116	↑ 0,2	↓ -2,2
iTraxx 5Y EU	36,4	↓ -0,1	↓ -4,0
US TED Spread	71,2	⇒ 0,0	↑ 0,8

Source: Reuters, OTP Research

Summary

- Friday's coup attempt in Turkey did not shake Europe's stock markets; indices crawled on summerishly light trading volumes.
- Japan's SoftBank is to buy Britain's ARM chipmaker for GBP 24.3 billion.
- The S&P and the Dow closed at new highs in the USA.

There was modest increase on Monday on Western Europe's stock markets; Europe's stock markets were not shaken by Friday's coup attempt in Turkey. The Stoxx600 upped 0.2% and the FTSE added 0.4%, while the DAX slipped four basis points. The news of the day was the acquisition of Britain's ARM chipmaker: SoftBank Group, a Japan-based internet giant is to pay GBP 24.3 billion (about USD 32 billion) for the chip manufacturer (which does not actually produce chips, only plans them and has them produced by companies like Samsung, saving the costs of building and maintaining a manufacturing base). News on the buy-up sent ARM rallying 41%, and pushed European semiconductor prices higher too. Beyond ARM's rally, the FTSE was also boosted by the pound's weakening; London's stock index stood 5.6% higher than on the day of the Brexit referendum.

In the USA, the S&P and the Dow closed at new highs, after rising six points (or 0.2%) and 17 points (or 0.1%) respectively. The financial service provider, the technology, and the raw material producer sectors were the top gainers. Investors' focus is increasingly shifting toward earnings reports, but regardless of them, important corporate figures were released. The acquisition of Britain's ARM also pushed its US peers' share prices higher, while Apple climbed to a two-week high. Benefiting from a better-than-expected quarterly report, the Bank of America's share price jumped 3.3% higher. By contrast, despite the cheering profit data the toy manufacturer Hasbro slid almost 7%, as investors worried about the deceleration of the revenue growth in boys' toys. After Monday's close Netflix published its quarterly report; the disappointing expansion in subscriber numbers slashed its share price by 16% in after-hours trading. IBM's heartening report, also released outside trading hours, lifted its stock price by more than 3%.

Microsoft, Goldman, and Johnson & Johnson are to publish their earnings figures today.

Asia's stock markets opened mixed; the Nikkei225 oscillated in the green at the beginning of today's session, and the Hong Kong indices were likewise heading higher, whereas China's benchmarks opened with losses. In the face of the JPY's appreciation, the Nikkei and the Topix kept their gains by the close, but the Shanghai Composite and the Hang Seng fell.

Preserving its safe haven position, the JPY firmed versus the USD. Besides, 2Y and 10Y Japanese government bond yields fell significantly. The GBP depreciated 0.5% against the greenback, while the EUR/USD has increased.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,69	↓	0	↑	3
US 10Y	1,57	↓	0	↑	15
JP 2Y	-0,33	↓	-33	↑	1
JP 10Y	-0,22	↓	-22	↑	4
GER 2Y	-0,65	↑	1	↑	4
GER 10Y	-0,02	↑	3	↑	18

CENTRAL BANKS' RATES

	Rate (%)		6M Consensus		1Y Consensus
Fed Funds	0,5	↑	0,75	↑	1,25
ECB Rate	0,00	→	0,00	→	0,00
BOE Rate	0,50	↑	0,75	↑	1,00
BOJ Rate	0,00	↑	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	↑	2
US 2Y Swap	0,85	↓	-2	↑	2
US 5Y Swap	1,05	↓	-2	↑	1
EUR 3M Euribor	-0,30	↓	0	↓	0
EUR 2Y Swap	-0,25	↓	-2	↓	-1
EUR 5Y Swap	-0,14	↓	-2	→	0
GB 3M Libor	0,00	↑	3	↑	1
GB 2Y Swap	0,51	↑	1	↑	2
GB 5Y Swap	0,59	↓	-1	↑	3
JP 3M Libor	0,00	↓	-1	↓	-1
JP 2Y Swap	-0,16	↓	0	↑	2
JP 5Y Swap	-0,17	↑	0	↑	3
CHF 3M Libor	0,00	↓	0	↑	1
CHF 2Y Swap	-0,78	↑	0	↑	9
CHF 5Y Swap	-0,71	↓	0	↑	10

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	46,8	↓	-0,28	↓	-3,38
Gold	1 328	↑	0,00	↓	-0,21

Source: Reuters, OTP Research

The WTI crude oil slipped 1.5% yesterday, while the Brent sank 1.3%. Gold and metal prices eased, whereas copper and zinc became more expensive on base metal market. Among agricultural products, rough rice futures grew by more than 2%, and maize is heading upwards once again.

Beating expectations, America's NAHB housing price index slightly dropped last month. The USA will publish further important housing market data today.

Today's important releases include the ZEW economic sentiment index; the market consensus expects deterioration in the sentiment of the economic agents polled.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Monday	CN	Jun	House prices (yoy, %)	7,3	-	6,9
	US	Jun	NHAB House price index (point)	59,0	60,0	60,0
Tuesday	DE	Jul	ZEW Economic Sentiment (points)		9,0	19,2
	GB	Jun	CPI (mom, %)		0,2	0,2
	GB	Jun	CPI (yoy, %)		0,4	0,3
	US	Jun	Building permits (millions)		1,150	1,136
	US	Jun	Housing starts (millions)		1,170	1,164

Source: Reuters, OTP Research

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