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## Daily Report – Global Markets

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 456	↓ -0,09	↓ -0,33
S&P500	2 170	↑ 0,16	↑ 0,23
Nasdaq100	4 721	↑ 0,39	↑ 1,60
Russell2000	1 217	↓ -0,13	↑ 0,37
Stoxx600	339	↓ -0,95	↓ -0,33
DAX	10 275	↓ -0,43	↑ 1,17
FTSE 100	6 721	↓ -0,44	↑ 0,32
CAC40	4 421	↓ -0,59	↑ 1,01
ATX	2 228	↓ -0,66	↑ 0,39
IBEX35	8 479	↓ -2,10	↓ -1,22
Nikkei 225	16 579	↑ 0,62	↓ -1,38
Hang Seng	21 968	↓ -0,93	↑ 0,02
SSEC	2 988	↓ -0,21	↓ -0,82
SENSEX	28 125	↓ -0,30	↓ -0,60
RTS	923	↑ 0,19	↓ -2,50
Bovespa	56 667	↓ -0,33	↑ 0,05

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1074	↑ 0,17	↑ 0,92
EUR/CHF	1,0859	↓ -0,38	↑ 0,13
USD/GBP	1,3163	↓ -0,43	↑ 0,43
USD/JPY	103,59	↓ -1,57	↓ -2,33
AUD/USD	0,7518	↑ 0,24	↑ 0,76
USD/CAD	1,3152	↓ -0,02	↑ 0,21
USD/RUB	66,59	↓ -0,01	↑ 2,91

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,7	↓ -0,1	↓ 0,0
CDS 5Y PIIS	13	↓ -0,6	↓ -4,0
CDS 5Y Italy	117	→ 0,0	↓ -1,3
CDS 5Y Belg.	114	↑ 0,1	↓ -4,8
iTraxx 5Y EU	31,5	↑ 0,5	↑ 3,3
US TED Spread	70,2	→ 0,0	↑ 12,5

Source: Reuters, OTP Research

**Summary**

- Investor sentiment was pessimistic on the European stock markets, the main indices showed a mixed performance on the other side of the Atlantic.
- The Bank of Japan left both the base rate and the volume of its asset purchase program unchanged.
- The results of European Banking Authority's stress-test, which has been going on since February, will be published today after the markets close.
- The second quarter preliminary GDP data about the USA and several European Countries is published today.

Market sentiment was pessimistic on the European markets, the main indices declined by 0.4-0.6%. Financial corporations were amongst the weaker sectors. The Lloyd fell 5.8%, after the British bank warned about a decline in demand for new loans. The Credit Suisse decreased by 5%, despite the unexpectedly high earnings in the second quarter. This may be the pushed by the cautious use of words of the company's CEO, and analysts warn, that the bank may need additional capital next year. Neste was among the biggest winners of the day. The shares of the Finnish fuel producer rallied by 9.9%, after the company's second quarter profit exceeded previous projections. Rolls Royce increased by 13.5% after the company improved its profit forecasts.

The main indices showed a mixed performance on the other side of the Atlantic. The Dow and Russel2000 decreased by 0.1, while S&P500 increased by 0.2% and Nasdaq100 by 0.4%. IT companies were the biggest winners after publishing favourable quarterly reports. The Alphabet, owner of Google, rallied 4% after the company's revenue exceeded previous expectations. Amazon closed 1.7% higher. Facebook opened at historical high and further increased by 1.3%, after published earnings higher than previous forecasts. Among the biggest losers was the Ford. Shares of the American carmaker fell 8.2%, after publishing weak sales data on the Chinese market.

Asian markets closed in the red territory today morning. The Hang Seng was down by 0.9%, the SSEC decreased by 0.2% and the SENSEX by 0.3%, only the Nikkei225 increased by 0.6%. The Bank of Japan caused disappointment among investors. Opposed to market expectations, the base interest rate was not further decreased from the current -0.1%, and the volume of the asset purchase program was also left unchanged at the current 80 thousand billion yen level. Only the ETF purchases were raised from 3.3 thousand billion to 6 thousand billion yen.

The euro slightly appreciated compared to the dollar, the yen gained 1.57% to the dollar after the rate decision of the Bank of Japan.

**GOV'T BOND MARKET**

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,70	↓ -2	↑ 2
US 10Y	1,50	↓ 0	↓ -5
JP 2Y	-0,34	↑ 2	↓ -2
JP 10Y	-0,27	↑ 2	↓ -4
GER 2Y	-0,62	↓ -2	↑ 0
GER 10Y	-0,08	↓ -6	↓ -7

**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	0,10	→ 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	↑ 5
US 2Y Swap	0,93	↑ 2	↓ -2
US 5Y Swap	1,12	↑ 1	↓ -4
EUR 3M Euribor	-0,30	↑ 0	↑ 0
EUR 2Y Swap	-0,22	↓ 0	↑ 0
EUR 5Y Swap	-0,14	↑ 1	↓ -3
GB 3M Libor	0,00	↓ 0	↓ -2
GB 2Y Swap	0,48	↑ 0	↑ 6
GB 5Y Swap	0,54	↑ 1	↓ -4
JP 3M Libor	0,00	↑ 0	↓ 0
JP 2Y Swap	-0,10	↑ 8	↑ 6
JP 5Y Swap	-0,11	↑ 9	↑ 7
CHF 3M Libor	0,00	↑ 0	↑ 1
CHF 2Y Swap	-0,73	↑ 1	↑ 1
CHF 5Y Swap	-0,69	↑ 2	↓ -1

**COMMODITIES**

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	42,7	↓ -0,12	↓ -6,65
Gold	1 334	↓ -0,10	↑ 0,91

Source: Reuters, OTP Research

The European Banking Authority (EBA) will publish the result of its stress-test. One of the main questions is how the Italian banks will perform, considering the problems of the Italian financial system? The Banca Monte dei Paschi di Siena is facing serious problems, while, the UniCredit, Mediobanca, Intesa Sanpaolo and UBI are expected to perform better. The question is how the non-performing loans are distributed within the banking system, and will individual banks be able to sell their bad loans without need for additional capital?

In June, despite the Brexit, the Economic Sentiment index of the Eurozone has increased from 103.7 points to 104.6 points. On the other hand, the British GfK consumer confidence index fell from -1.0 point in June to -12.0 points in July as opposed to the -8 points consensus.

The second quarter preliminary GDP data about France, Spain, the USA and the Eurozone will be published today. The unemployment statistics of June and the inflation statistics of July are also coming out for the Eurozone.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Thursday	EZ	Jul	Economic Sentiment (points)	104,6	103,7	104,4
	EZ	Jul	Consumer Confidence, final (points)	-7,9	-7,9	-7,2
	DE	Jul	Unemployment rate (%)	6,1	6,1	6,1
	DE	Jul	CPI, flash (yoy, %)	0	0,3	0,3
	UK	Jun	Nationwide house price index (yoy, %)	5,2	4,5	5,1
	UK	Jul	GfK consumer confidence (points)	-12,0	-8,0	-1,0
Friday	JP	Jul	BOJ base rate (%)	-0,1	-0,2	-0,1
	FR	Q2	GDP (preliminary, qoq, %)		0,2	0,6
	DE	Jun	Retail sales (mom, %)		0,0	0,9
	SP	Q2	GDP (preliminary, qoq, %)		0,7	0,8
	SP	Q2	GDP (preliminary, yoy, %)		3,1	3,4
	EZ	Jul	Core consumer price index (preliminary, yoy, %)		1,0	0,9
	EZ	Jul	Consumer price index (preliminary, yoy, %)		0,1	0,1
	EZ	Jun	Unemployment rate (%)		10,1	10,1
	EZ	Q2	GDP (preliminary, yoy, %)		1,6	1,6
	EZ	Q2	GDP (preliminary, qoq, %)		0,3	0,6
	RU	Jul	Base rate (%)		10,5	10,5
	US	Q2	GDP (preliminary, annualized qoq, %)		2,6	1,1
	US	Jul	Chicago purchasing manager index (points)		54,6	56,8

Source: Reuters, OTP Research

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