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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 636	↑ 0,32	↑ 0,58
S&P500	2 190	↑ 0,28	↑ 0,42
Nasdaq100	4 827	↑ 0,42	↑ 0,89
Russell2000	1 242	↑ 0,98	↑ 0,82
Stoxx600	346	↓ -0,01	↑ 1,32
DAX	10 739	↑ 0,24	↑ 2,94
FTSE 100	6 941	↑ 0,36	↑ 1,94
CAC40	4 498	↓ -0,05	↑ 1,87
ATX	2 285	→ 0,00	↑ 1,65
IBEX35	8 721	↑ 0,05	↑ 1,85
Nikkei 225	16 597	↓ -1,62	↓ -0,32
Hang Seng	22 129	↓ 0,00	↑ 2,08
SSEC	3 114	↓ -0,37	↑ 2,91
SENSEX	27 994	↓ -0,56	↓ -0,60
RTS	972	↑ 1,84	↑ 1,94
Bovespa	59 146	↑ 1,45	↑ 2,62

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1183	↑ 0,22	↑ 0,89
EUR/CHF	1,0876	↓ -0,06	↓ -0,30
USD/GBP	1,2879	↓ -0,30	↓ -0,93
USD/JPY	100,26	↓ -0,97	↓ -1,60
AUD/USD	0,7704	↑ 0,42	↑ 0,43
USD/CAD	1,2904	↓ -0,12	↓ -1,61
USD/RUB	64,11	↑ 0,11	↓ -0,98

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	11,8	↑ 0,3	↑ 0,3
CDS 5Y PIIS	12	↓ -2,2	↓ -3,7
CDS 5Y Italy	110	↓ -1,0	↓ -0,8
CDS 5Y Belg.	110	↓ -0,7	↓ -3,1
iTraxx 5Y EU	25,0	↓ -1,2	↑ 0,5
US TED Spread	65,6	→ 0,0	↑ 0,1

Source: Reuters, OTP Research

Summary

- Most of the leading stock indices upped on light trading volumes on both sides of the Atlantic yesterday.
- The S&P hit new high on Monday.
- Maintaining their dynamic growth, crude oil prices surged more than 3% yesterday.

Western Europe's stock indices preserved only small gains from early Monday's optimistic trading. The Stoxx600, which slipped into the red by the close reversing an earlier 0.4% increase, was largely driven by car manufacturers; its automotive sub-index advanced 0.7% by the end of the day. Volkswagen's 1.3% advance was a great contribution to the DAX's growth. Other German car manufacturers also fared well: Daimler and BMW went up 1.0% and 0.9% respectively. Yet the brightest stars of the DAX were the HeidelbergCement building materials company (+2.3%) and Infineon, a technology business (+1.5%), while Deutsche Lufthansa (-1.8%) dived the deepest. Monday's growth helped the DAX work off its year-to-date loss. Healthcare, technology, oil, and chemical companies also did also well in Europe, while the telecommunications, travel services, retail, commodity producer, and financial services sectors underperformed. The turnover was 60% short of the 30-day average as some markets (e.g. Italy) were closed. The FTSE rose by 0.4% yesterday; BP surged in sync with the rising oil price, while Glencore was a drag on the London stock index. BHP Billiton's latest earnings, published this morning, nose-dived 81% in the financial year ending on 30 June.

There was clearly good mood in America, where the S&P hit new record high, for the tenth time in the past month. The base material production, the energy sector, industrial companies and the financial sector all outperformed, and technology also thrived (+0.5%), while utilities was the weakest of the S&P's sectors. US trading sentiment was supportive even though the New York state's manufacturing index unexpectedly worsened in July, despite the improvement in the sentiment of construction companies in August. Commodity producers also climbed higher in Monday's trading; Freeport-McMoRan, the copper producer soared 3%. Chesapeake Energy jumped almost 10% higher as oil price rebounded; the company also announced to have borrowed USD 1 billion to refinance its almost 10-billion-dollar debt. The earnings season did not end in the USA: Home Depot will release its quarterly report today, Cisco Systems and Target, the retail chain will publish their figures later in the week.

Crude oil prices rallied again, as Russia said it was ready to talk with the largest producers to freeze output levels. After surging more than 6% last week, the price of the WTI oil topped its gains by 3% on Monday; the Brent crude oil closed 3.3% higher yesterday.

Asia's stock markets performed mixed: the first hours of trading in Japan brought losses, while the indices in China and Hong Kong opened in positive territory. Japan's Nikkei remained in the red by the close – the JPY firmed 1% against the USD –, while the initial gains were eroded in mainland China and Hong Kong.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,73	↑	2	↓	0
US 10Y	1,55	↑	4	↓	-4
JP 2Y	-0,18	↑	2	↓	-2
JP 10Y	-0,08	↑	3	↓	-4
GER 2Y	-0,62	↑	1	↓	-2
GER 10Y	-0,11	↓	-2	↓	-5

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	0,25	→	0,25	→	0,25
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	↑	3
US 2Y Swap	0,91	↓	-3	↓	-6
US 5Y Swap	1,09	↓	-4	↓	-4
EUR 3M Euribor	-0,30	↑	0	→	0
EUR 2Y Swap	-0,24	↓	-1	↑	0
EUR 5Y Swap	-0,15	↑	2	↑	2
GB 3M Libor	0,00	↑	0	↓	-2
GB 2Y Swap	0,39	↓	0	↑	1
GB 5Y Swap	0,45	↑	0	↑	2
JP 3M Libor	0,00	→	0	↑	0
JP 2Y Swap	-0,05	↓	0	↑	1
JP 5Y Swap	-0,05	↓	-1	↑	0
CHF 3M Libor	0,00	→	0	↑	1
CHF 2Y Swap	-0,72	↑	0	↓	-1
CHF 5Y Swap	-0,65	↑	1	↓	-1

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	48,0	↓	-0,70	↑	6,74
Gold	1 349	↑	0,74	↑	0,64

Source: Reuters, OTP Research

The New York Fed Manufacturing index unexpectedly worsened in July, sinking into negative territory against the forecast increase in August. But encouragingly, two of its sub-indices (new orders and transport) improved this month.

Today Germany's ZEW institute is to publish its economic sentiment index.

The USA will release a string of important data today: consumer price index, housing starts and building permits figures. Industrial and manufacturing production data are also due out today.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Monday	JP	Q2	GDP (qoq, annualized)	0,2	0,7	1,9
	US	Aug	New York Fed Manufacturing index	-4,2	2,8	0,6
	US	Aug	NAHB Housing market index	60	60	59
Tuesday	DE	Aug	ZEW Economic sentiment Index (points)		1,8	-6,8
	GB	Jul	CPI (mom, %)		-0,1	0,2
	US	Jul	CPI (mom, %)		0,0	0,2
	US	Jul	Building permits (millions)		1,160	1,153
	US	Jul	Housing starts (millions)		1,180	1,189
	US	Jul	Industrial output (mom, %)		0,3	0,6
	US	Jul	Capacity utilization (%)		75,6	75,4
	US	Jul	Manufacturing output (mom, %)		0,3	0,4

Source: Reuters, OTP Research

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