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## Daily Report – Global Markets

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 574	↑ 0,12	↑ 0,42
S&P500	2 182	↑ 0,19	↑ 0,31
Nasdaq100	4 805	↑ 0,17	↑ 0,46
Russell2000	1 228	↓ -0,28	↓ -0,12
Stoxx600	340	↓ -0,83	↓ -1,02
DAX	10 538	↓ -1,30	↓ -1,06
FTSE 100	6 859	↓ -0,50	↓ -0,11
CAC40	4 418	↓ -0,96	↓ -0,77
ATX	2 252	↓ -1,09	↓ -0,69
IBEX35	8 487	↓ -1,56	↓ -1,99
Nikkei 225	16 486	↓ -1,55	↓ -1,49
Hang Seng	22 129	↑ 1,13	↑ 2,11
SSEC	3 098	↓ -0,37	↑ 3,18
SENSEX	28 138	↑ 0,47	↓ -0,60
RTS	965	↓ -0,97	↑ 1,98
Bovespa	59 324	↑ 0,80	↑ 4,22

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1286	↑ 0,09	↑ 1,61
EUR/CHF	1,0858	↑ 0,12	↓ -0,02
USD/GBP	1,3039	↓ -0,04	↑ 0,66
USD/JPY	99,81	↓ -0,43	↓ -2,10
AUD/USD	0,7710	↑ 0,73	↑ 0,19
USD/CAD	1,2811	↓ -0,25	↓ -1,37
USD/RUB	63,67	↓ -0,31	↓ -0,99

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,2	↓ -0,5	↑ 0,1
CDS 5Y PIIS	12	↑ 3,7	↑ 1,8
CDS 5Y Italy	114	↑ 1,0	↑ 1,7
CDS 5Y Belg.	111	↓ -0,6	↓ -2,2
iTraxx 5Y EU	24,4	↑ 1,6	↓ -0,2
US TED Spread	67,1	→ 0,0	↓ -2,7

Source: Reuters, OTP Research

**Summary**

- Stock indices in Western Europe failed to pick up yesterday.
- US indices' winning streak continued; this time the buoyancy stemmed from the July Fed meeting's minutes, released on Wednesday.
- Crude oil prices keep dynamically rising, bringing the week/week growth near 13%..

Most indices in Western Europe closed in negative territory on Wednesday; the Stoxx Europe 600 index ended 0.8% lower, while in recent days American Fed presidents issued a string of 'warnings' that interest rate hike is increasingly likely to take place this year. The FTSE dropped 0.5%, and the DAX fell 1.3%. Commodity producer stocks descended as raw material prices stuck at low levels. In Germany, power supply companies weighed on the DAX index (E.On: -3.1%; RWE: -2.1%), and the health care sector was ailing too. ThyssenKrupp was hit hard (-1.8%), and Linde shrank 1.2% following competition concerns about its plan to acquire Praxair. Europe's tech sector was in poor shape; ASML, the semiconductor manufacturer plunged almost 5%, as Intel said it would not use its lithography technology in producing the new, 10-nanometre chips production. Carlsberg, the Danish beer manufacturer also lost 5% after publishing disappointing quarterly figures. Wienerberger's share price contracted by more than 6% on the announcement to cut its clay production owing to the lower demand in the United Kingdom.

America's stock indices climbed higher, with the S&P adding 0.2%, the Dow inching up 0.1%; the technology sector edged marginally higher. The Russell index of small-cap businesses sank 0.3%. The sentiment benefited from the release of the July Fed meeting's minutes, which showed how divided decision makers had been on the timing of the rate hike. In the S&P universe, utilities names excelled, but the real property and financial sectors were also outperformers, while consumer discretionary, basic material producers and technology firms suffered losses. The tech segment was partly dragged down by Cisco Systems, which announced to cut 14,000 jobs and consequently its share price fell 1.3%. In its Q2 report the retail chain Target gave account of 20% QoQ fall in Apple product sales. Apple closed -0.2% lower, rebounding from a 1% intraday loss. Target dived 6.4%, and its competitor BestBuy dropped nearly 3% too. Although the earnings season is coming to an end, a number of important reports are due out today, including those of Wal-Mart and Applied Materials, the technology company.

The intensifying rate hike speculation scared investors in Asia (except Japan); markets in China, Hong Kong and Korea mostly opened on a weak note. One of the biggest losers of the Hang Seng was Cathay Pacific, which plunged more than 7% as the half-year profit of Asia's biggest airline fell short of analysts' forecast. The JPY's weakening supported the resilience of Japanese indices in early trading hours, before the yen's firming led to sizeable losses.

**GOV'T BOND MARKET**

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,72	↓	-3	↑	2
US 10Y	1,54	↓	-3	↑	3
JP 2Y	-0,18	↑	1	↓	-18
JP 10Y	-0,07	↑	3	↓	-7
GER 2Y	-0,61	↓	0	↑	2
GER 10Y	-0,04	↑	4	↑	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	↓	-1
US 2Y Swap	0,94	↓	-2	↓	-4
US 5Y Swap	1,13	↑	1	↓	-3
EUR 3M Euribor	-0,30	↑	0	↓	0
EUR 2Y Swap	-0,22	↓	0	↓	0
EUR 5Y Swap	-0,15	↓	-2	↑	0
GB 3M Libor	0,00	↓	0	↓	0
GB 2Y Swap	0,41	↑	1	↓	-1
GB 5Y Swap	0,48	↓	0	↑	6
JP 3M Libor	0,00	↑	1	↑	1
JP 2Y Swap	-0,07	↓	-1	↓	-1
JP 5Y Swap	-0,06	↓	-3	↑	1
CHF 3M Libor	0,00	→	0	→	0
CHF 2Y Swap	-0,69	↓	-35	↑	3
CHF 5Y Swap	-0,61	↑	4	↑	5

**COMMODITIES**

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	49,8	↓	-0,12	↑	8,15
Gold	1 352	↑	0,25	↑	0,98

Source: Reuters, OTP Research

Crude oil price continues to grind higher, with the Brent oil nearing 50 USD/barrel, rising 1% in a day and surging 13% in a week's time. The WTI oil is drawing near 47 USD, climbing 0.7% yesterday and growing 12.5% in week/week terms. Meanwhile US inventories are shrinking, according to recent statistics.

The surplus in Japan's trade balance decreased in July by less than had been thought, but in year-over-year terms its contraction is more obvious: exports fell 14% and imports dived almost 25%.

The eurozone is to release the final reading of the July consumer price index, and retail sales statistics are due out in the United Kingdom.

Important economic indicators will see the light of day in the USA today.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Wednesday	US	Jul	FOMC minutes			
Thursday	JP	Jul	Trade balance (JPY bn)	513,5	283,7	692,8
	EZ	Jul	CPI , final (yoy, %)		0,2	0,2
	GB	Jul	Retail sales (yoy, %)		4,2	4,3
	US	Aug	Philadelphia Fed business index (points)		2,0	-2,9
	US	Jul	Leading indicator, change (mom, %)		0,3	0,3

Source: Reuters, OTP Research

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