

Treasury Sales Team

Headquarter Treasury Sales

Alexandru Tibuleac
0372 31 85 85
alexandru.tibuleac@otpbank.ro

Cristian Ilie
0372 31 85 86
ilie.cristian@otpbank.ro

Corina Bejan
0372 31 85 84
corina.bejan@otpbank.ro

Andreea Nica
0755 000 106
andreea.nica@otpbank.ro

Regional Treasury Sales

Szilamer Kozma - Cluj
0755 000 400
szilamer.kozma@otpbank.ro

Tudor Zaman - Bucuresti
0755 000 199
tudor.zaman@otpbank.ro

Alexandru Sabin - Arad
0730 577 959
alexandru.sabin@otpbank.ro



Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 598	↑ 0,13	↓ -0,08
S&P500	2 187	↑ 0,22	↑ 0,06
Nasdaq100	4 809	↑ 0,07	↑ 0,11
Russell2000	1 237	↑ 0,75	↑ 0,57
Stoxx600	343	↑ 0,72	↓ -1,08
DAX	10 603	↑ 0,62	↓ -1,30
FTSE 100	6 869	↑ 0,14	↓ -0,66
CAC40	4 437	↑ 0,44	↓ -1,49
ATX	2 267	↑ 0,71	↓ -0,13
IBEX35	8 550	↑ 0,74	↓ -1,94
Nikkei 225	16 546	↑ 0,36	↓ -1,13
Hang Seng	22 129	↓ -0,30	↑ 0,82
SSEC	3 094	↓ -0,32	↑ 1,43
SENSEX	28 092	↓ -0,11	↓ -0,60
RTS	975	↑ 1,00	↑ 2,33
Bovespa	59 166	↓ -0,27	↑ 1,49

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1352	↑ 0,58	↑ 1,55
EUR/CHF	1,0835	↓ -0,21	↓ -0,50
USD/GBP	1,3166	↑ 0,97	↑ 1,92
USD/JPY	100,20	↑ 0,33	↓ -1,08
AUD/USD	0,7643	↓ -0,55	↓ -0,04
USD/CAD	1,2798	↑ 0,14	↓ -1,14
USD/RUB	63,69	↑ 0,15	↓ -1,64

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	11,4	↓ -0,8	↓ -0,3
CDS 5Y PIIS	11	↑ 0,5	↑ 1,9
CDS 5Y Italy	114	↓ 0,0	↑ 0,0
CDS 5Y Belg.	111	⇒ 0,0	↓ -1,5
iTraxx 5Y EU	24,4	↓ -0,5	↓ -0,3
US TED Spread	66,5	⇒ 0,0	↓ -1,6

Source: Reuters, OTP Research

Summary

- Global stock markets lacked a single direction in Thursday's low-volatility trading.
- The dollar weakened despite Dudley's speech; the JPY arrived at key level vs the greenback.
- Oil prices marched higher, extending their two-week winning streak.

Western Europe's and America's key indices traded in a narrow range yesterday. The financial sector did not do well on Thursday, while mining companies advanced, benefiting from the rising commodity prices. However, currency markets were much more exciting as the USD lost strength against the EUR, the GBP and the JPY; it weakened more than 0.5% versus the first two currencies, while the USD/JPY went below 100 again. The yen's strength may stem from reports on more fiscal loosening, which pushed Japan's 10Y bond yield from near -30 basis points gradually to the range between 0 and -10 basis points. Yet the daily moves are somewhat surprising, given yesterday's speech of William Dudley, the New York Fed President, who recently made a name for himself by claiming that the US economy is ready for further interest rate hike(s). In his current speech he did not contradict his former statement, pointing out that the Fed was very close to the desired labour market condition, and that rate hikes may be driven by the job market, rather than by GDP statistics. Nonetheless, the US 10-year Treasury note yield did not change, while that of the 10Y German bund inched lower.

Commodity prices have risen; the Brent traded above 50 USD/barrel again. Oil prices have been growing for six days in a row, and there was only one single day of correction in the past 12 trading days. But the up moves may become exhausted at the current 50-dollar level. This performance made oil quite unique, as the other important commodities (gold, silver, copper, natural gas) could not follow suit; most of them trickling down in the past one or two weeks.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,71	↓ 0	↓ -4
US 10Y	1,55	↑ 1	↓ -1
JP 2Y	-0,21	↓ -2	↓ -1
JP 10Y	-0,08	↓ -2	↑ 2
GER 2Y	-0,62	↓ -1	↑ 2
GER 10Y	-0,07	↓ -4	↑ 4

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	↑ 1	↓ -1
US 2Y Swap	0,94	↑ 0	↑ 1
US 5Y Swap	1,12	↑ 2	↑ 1
EUR 3M Euribor	-0,30	↓ 0	→ 0
EUR 2Y Swap	-0,22	↓ 0	↑ 2
EUR 5Y Swap	-0,14	↑ 1	↑ 3
GB 3M Libor	0,00	↓ 0	↑ 0
GB 2Y Swap	0,41	↑ 0	↓ -2
GB 5Y Swap	0,47	↓ -1	↑ 2
JP 3M Libor	0,00	↓ 0	↑ 1
JP 2Y Swap	-0,07	↓ 0	↓ -2
JP 5Y Swap	-0,06	→ 0	↑ 1
CHF 3M Libor	0,00	↑ 0	↑ 0
CHF 2Y Swap	-0,71	↓ -1	↑ 1
CHF 5Y Swap	0,00	↓ -1	↑ 3

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	51,0	↑ 0,29	↑ 8,67
Gold	1 348	↓ -0,31	↑ 0,91

Source: Reuters, OTP Research

The US macroeconomic data released yesterday – new unemployment, and the Philly Fed manufacturing index – did not move markets, even though both have beaten forecasts.

Neither America nor Europe will publish influential data today. Japan's all-industries activity index, released in the small hours of Friday, may stir the yen's market, which is already dithering at an important psychological line. Considering the oil price growth in the past two week, it may be worth checking Canada's consumer price index and retail figures (due out at 14:30 CET), because of the oil-price-led USD/CAD cross.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Thursday	US	Aug	Phialdelphia Fed Manufacturing index (pont)	2,0	1,4	-2,9
	US		Weekly unemployment claims	262k	269k	266k
	GB	Aug	Retail sales (m/m, %)	1,4	0,1	-0,9
Friday	JP	Aug	All industries activity (m/m, %)	1,0	0,9	-1,3
	CAD	Aug	Core CPI (m/m, %)		0,0	0,0
	CAD	Aug	CPI (m/m, %)		0,0	0,2
	CAD	Aug	Retail sales (m/m, %)		0,5	0,2

Source: Reuters, OTP Research

Chief Economist
Gergely Tardos
tardosg@otpbank.hu
+36 1 374 7273

Fundamental Analyst
Orsolya Rátkai
ratkaio@otpbank.hu
+36 1 374 7270

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