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Daily Report – Global Markets

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|-------------|--------|----------------|-----------------|
| DJIA | 18 529 | ↓ -0,12 | ↓ -0,57 |
| S&P500 | 2 183 | ↓ -0,06 | ↓ -0,34 |
| Nasdaq100 | 4 809 | ↑ 0,05 | ↓ -0,38 |
| Russell2000 | 1 240 | ↑ 0,24 | ↑ 0,70 |
| Stoxx600 | 340 | ↑ 0,09 | ↓ -1,62 |
| DAX | 10 494 | ↓ -0,47 | ↓ -2,28 |
| FTSE 100 | 6 829 | ↓ -0,44 | ↓ -1,62 |
| CAC40 | 4 390 | ↓ -0,24 | ↓ -2,40 |
| ATX | 2 257 | ↓ -0,50 | ↓ -1,21 |
| IBEX35 | 8 468 | ↑ 0,21 | ↓ -2,90 |
| Nikkei 225 | 16 497 | ↓ -0,61 | ↓ -2,21 |
| Hang Seng | 22 129 | ↓ -0,29 | ↑ 0,09 |
| SSEC | 3 093 | ↑ 0,25 | ↓ -0,56 |
| SENSEX | 27 953 | ↓ -0,12 | ↓ -0,60 |
| RTS | 963 | ↓ -0,25 | ↓ -0,91 |
| Bovespa | 57 781 | ↓ -2,23 | ↓ -2,31 |

FX MARKET

| | Close | Daily chg. (%) | Weekly chg. (%) |
|---------|--------|----------------|-----------------|
| EUR/USD | 1,1315 | ↓ -0,09 | ↑ 0,52 |
| EUR/CHF | 1,0892 | ↑ 0,22 | ↑ 0,44 |
| USD/GBP | 1,3137 | ↑ 0,48 | ↑ 0,71 |
| USD/JPY | 100,08 | ↓ -0,24 | ↓ -0,20 |
| AUD/USD | 0,7644 | ↑ 0,35 | ↓ -0,65 |
| USD/CAD | 1,2895 | ↓ -0,38 | ↑ 0,29 |
| USD/RUB | 64,78 | ↓ -0,01 | ↑ 1,51 |

RISK INDICATORS

| | Close | Daily chg (bp) | Weekly chg (bp) |
|---------------|-------|----------------|-----------------|
| VIX | 12,3 | ↑ 0,9 | ↑ 0,5 |
| CDS 5Y PIIS | 12 | ↑ 2,1 | ↑ 6,4 |
| CDS 5Y Italy | 118 | ↑ 1,6 | ↑ 2,7 |
| CDS 5Y Belg. | 113 | ↓ -6,5 | ↑ 0,1 |
| iTraxx 5Y EU | 25,8 | ↑ 1,8 | ↑ 4,1 |
| US TED Spread | 69,7 | → 0,0 | ↓ -0,4 |

Source: Reuters, OTP Research

Summary

- US markets remained on hold, European and Asian stock indices fell
- Syngenta and Medivation rose on merger news, energy stocks weakened
- Due to its dispute with suppliers, VW suspended the production of its Golf model
- The oil market rally ended, Brent fell from 51 to below 49

Global markets remained hesitant. In the U.S. investors are looking forward to Friday's GDP release and the speech of Janet Yellen; stock indices remained unchanged. Sentiment was volatile in Europe, most markets ended the day in the red (DAX -0.5%).

In the U.S. energy stocks were weak while the pharma and biotech sectors performed well. Syngenta jumped 10.4% after its acquisition by the Chinese ChemChina received U.S. national security clearance. This means that the largest ever foreign acquisition by a Chinese company may conclude successfully. In the other major merger news of the day, Pfizer outbid Sanofi with its 14 bn USD offer for Medivation.

VW remains in dispute with two suppliers. As a result, the firm temporarily suspends the production of its Golf model which affects six German factories and nearly 28 thousand workers. UBS analysts reckon that the production cut may incur losses exceeding 100 million EUR for VW.

In Asia both Nikkei (-0.6%) and Hang Seng (-0.3%) fell; the Japanese market may have been dragged down by weak PMI data.

The oil market rally of recent weeks ended spectacularly. Brent fell from Friday's 51 USD/bl to below 49 USD. Previously OPEC sources hinted that the organization would prefer a higher oil price. However, recent news indicate that Iraqi oil exports will jump by 5% in the next days. Nigerian insurgents also declared that they will stop attacking oil infrastructure in the Niger delta.

GOV'T BOND MARKET

| | Yield (%) | | Daily chg (bp) | | Weekly chg (bp) |
|---------|-----------|---|----------------|---|-----------------|
| US 2Y | 0,75 | ↓ | -2 | ↑ | 2 |
| US 10Y | 1,55 | ↓ | -5 | ↓ | 0 |
| JP 2Y | -0,20 | ↓ | -1 | ↓ | -2 |
| JP 10Y | -0,07 | → | 0 | ↑ | 1 |
| GER 2Y | -0,61 | ↑ | 1 | ↑ | 1 |
| GER 10Y | -0,04 | ↑ | 5 | ↑ | 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 | 0,25 | → | 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 | 0,83 | ↑ | 1 | ↓ | 0 |
| US 2Y Swap | 0,97 | ↓ | -1 | ↑ | 2 |
| US 5Y Swap | 1,12 | ↑ | 1 | ↓ | -1 |
| EUR 3M Euribor | -0,30 | ↓ | 0 | ↓ | 0 |
| EUR 2Y Swap | -0,21 | ↓ | 0 | ↑ | 0 |
| EUR 5Y Swap | -0,15 | ↓ | -2 | ↓ | -1 |
| GB 3M Libor | 0,39 | ↓ | 0 | ↓ | 0 |
| GB 2Y Swap | 0,42 | ↑ | 0 | ↓ | -3 |
| GB 5Y Swap | 0,47 | ↓ | -3 | ↑ | 3 |
| JP 3M Libor | -0,02 | ↑ | 1 | ↑ | 0 |
| JP 2Y Swap | -0,08 | ↓ | -1 | ↓ | -3 |
| JP 5Y Swap | -0,07 | ↓ | -1 | ↓ | -2 |
| CHF 3M Libor | -0,74 | → | 0 | ↑ | 0 |
| CHF 2Y Swap | -0,70 | ↓ | -1 | ↑ | 2 |
| CHF 5Y Swap | 0,00 | ↓ | -1 | ↑ | 3 |

COMMODITIES

| | Close | | Daily chg. (%) | | Weekly chg. (%) |
|-----------|-------|---|----------------|---|-----------------|
| Oil Brent | 48,8 | ↓ | -0,73 | ↓ | -0,87 |
| Gold | 1 339 | ↑ | 0,03 | ↓ | -0,52 |

Source: Reuters, OTP Research

Major currency pairs barely changed on Monday; the 0.5% of the USDGBP was the most significant move. U.S. Treasury yields fell while the 10 year Bund rose 5 points.

No major macro data were released on Monday. August PMI data will be released on Tuesday for several economies. The Japanese index rose compared to July but remained below the 50 mark, indicating further contraction of manufacturing output.

| | COUNTRY | DATE | INDICATOR / EVENT | FACT | CONSENSUS | PREVIOUS |
|---------|---------|------|---|------|-----------|----------|
| Monday | | | no data | | | |
| Tuesday | JP | Aug | Markit manufacturing PMI (flash, point) | 49,6 | | 49,3 |
| | DE | Aug | Markit services PMI (flash, point) | 53,3 | 54,3 | 54,4 |
| | DE | Aug | Markit manufacturing PMI (flash, point) | 53,6 | 53,5 | 53,8 |
| | EZ | Aug | Markit services PMI (flash, point) | 53,1 | 52,8 | 52,9 |
| | EZ | Aug | Markit manufacturing PMI (flash, point) | 51,8 | 52,0 | 52,0 |
| | EZ | Aug | Consumer confidence (flash, point) | | -7,6 | -7,9 |
| | US | Aug | New home sales (thousand) | | 580,0 | 592,0 |

Source: Reuters, OTP Research

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