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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 212	↑ 0,99	↓ -1,45
S&P500	2 147	↑ 1,01	↓ -1,56
Nasdaq100	4 820	↑ 1,56	↑ 0,33
Russell2000	1 227	↑ 1,27	↑ 0,64
Stoxx600	340	↑ 0,57	↓ -2,57
DAX	10 431	↑ 0,51	↓ -2,29
FTSE 100	6 730	↑ 0,85	↓ -1,87
CAC40	4 373	↑ 0,07	↓ -3,72
ATX	2 346	↑ 0,72	↓ -2,79
IBEX35	8 721	↑ 0,21	↓ -4,18
Nikkei 225	16 519	↑ 0,70	↓ -2,59
Hang Seng	22 129	→ 0,00	↓ -3,17
SSEC	3 003	→ 0,00	↓ -2,47
SENSEX	28 732	↑ 1,12	↓ -0,60
RTS	971	↑ 0,04	↓ -4,16
Bovespa	57 909	↑ 1,49	↓ -3,86

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1241	↓ -0,07	↑ 0,05
EUR/CHF	1,0925	↓ -0,21	↓ -0,26
GBP/USD	1,3237	↑ 0,03	↓ -0,19
USD/JPY	102,06	↓ -0,03	↓ -0,60
AUD/USD	0,7504	↓ -0,13	↓ -0,45
USD/CAD	1,3158	↓ -0,02	↑ 0,86
USD/RUB	64,83	↑ 0,20	↑ 0,19

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	16,3	↓ -1,8	↑ 3,8
CDS 5Y PIIS	16	↑ 1,1	↑ 2,7
CDS 5Y Italy	118	↑ 0,0	↑ 1,1
CDS 5Y Belg.	115	↑ 0,2	↑ 0,1
iTraxx 5Y EU	22,9	↑ 0,5	↑ 5,0
US TED Spread	70,3	→ 0,0	↑ 8,0

Source: Reuters, OTP Research

Summary

- Amid the general optimism on stock markets yesterday, investors bought practically everything.
- The BoE left its benchmark rate unchanged but hinted at the possibility of rate cut this year.
- Commodities' ailing continued, only copper could break its two-month downward trend.

America's key indices closed more than 1% higher yesterday as investors bought practically all sectors' shares in the general risk-off mood. Thursday's trading did not start well as a number of US data were short of expectations. But the positive U-turn in the USA spurred Europe's stock markets in the afternoon.

In commodities, the crude's ailing continued, as the oil price was quick to give back the morning's gains; but the price of gold and silver was even worse off. Out of the key commodities, copper saw strong demand as it reversed a two-month-long downward streak on Wednesday and extended its gains on Thursday.

Partly owing to the rising copper prices, the AUD firmed versus the USD. Currency markets had a relatively quiet day, with most of the key crosses trading in a narrow range. The Bank of England left its benchmark rate on hold but its statement hinted at the possibility of a rate cut later this year. At first the sterling lost ground versus the USD, but regained it later in the day.

The US macroeconomic statistics released yesterday point to a slowing growth, with practically all of them undershooting forecasts. Following the pale GDP growth data of the recent quarters, this seems to confirm the view on a weakening business cycle in the USA.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,73	↓	-3	↓	-4
US 10Y	1,69	↓	-1	↑	9
JP 2Y	-0,27	↑	0	↓	-8
JP 10Y	-0,04	↓	-2	↓	-2
GER 2Y	-0,65	↓	-3	↑	1
GER 10Y	0,03	↓	-5	↑	14

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	↑	2
US 2Y Swap	0,97	↓	-2	↓	-6
US 5Y Swap	1,16	↓	-1	↓	-5
EUR 3M Euribor	-0,30	↑	0	↑	0
EUR 2Y Swap	-0,23	↓	-1	↓	-3
EUR 5Y Swap	-0,10	↑	1	↑	1
GB 3M Libor	0,00	→	0	↑	0
GB 2Y Swap	0,45	↓	-1	↓	-2
GB 5Y Swap	0,57	↓	-1	↑	4
JP 3M Libor	0,00	↓	0	↓	-1
JP 2Y Swap	-0,12	↑	0	↓	-2
JP 5Y Swap	-0,10	↓	0	↓	-3
CHF 3M Libor	0,00	→	0	↓	-1
CHF 2Y Swap	-0,65	↑	0	↑	3
CHF 5Y Swap	-0,52	↑	1	↑	7

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	46,6	↑	1,61	↓	-3,40
Gold	1 314	↓	-0,67	↓	-1,02

Source: Reuters, OTP Research

Today markets will mostly focus on the August reading of US inflation, which may influence the outcome of next week's Fed rate decision. It is worth keeping an eye on the University of Michigan's preliminary September consumer sentiment index, which is – on past form and particularly because of the lacklustre macrostats released in the USA yesterday – a market-moving indicator. If even inflation misses expectations, that would definitely put off interest rate expectations further.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Wednesday	EZ	Jul	Industrial output (mom, %)	-1,1	-0,9	0,6
Thursday	UK	Aug	Retail sales (mom, %)		-0,4	1,4
	EZ	Aug	CPI (final, yoy, %)		0,2	0,2*
	UK	Sep	Interest rate decision (%)		0,25	0,25
	US	Aug	Retail sales (mom, %)		-0,1	0,0
	US	Sep	New York Fed manufacturing index (point)		-1,0	-4,21
	US	Aug	Industrial output (mom, %)		-0,3	0,7
	US	Jul	Business inventories (mom, %)		0,1	0,2

Source: Reuters, OTP Research

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