



**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 124	↓ -0,49	↑ 0,21
S&P500	2 139	↓ -0,38	↑ 0,53
Nasdaq100	4 818	↓ -0,04	↑ 2,92
Russell2000	1 225	↓ -0,18	↓ -0,90
Stoxx600	338	↓ -0,74	↓ -2,23
DAX	10 276	↓ -1,49	↓ -2,81
FTSE 100	6 710	↓ -0,30	↓ -0,98
CAC40	4 332	↓ -0,93	↓ -3,54
ATX	2 321	↓ -1,09	↓ -3,08
IBEX35	8 633	↓ -1,00	↓ -4,34
Nikkei 225	n.a	n.a	n.a
Hang Seng	22 129	↑ 0,84	↑ 1,03
SSEC	3 020	↑ 0,57	↓ -2,46
SENSEX	28 691	↑ 0,32	↓ -0,60
RTS	961	↓ -0,98	↓ -2,68
Bovespa	57 080	↓ -1,43	↓ -1,59

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1153	↓ -0,79	↓ -0,62
EUR/CHF	1,0939	↑ 0,13	↑ 0,16
GBP/USD	1,2995	↓ -1,83	↓ -2,54
USD/JPY	102,08	↓ -0,20	↑ 0,24
AUD/USD	0,7537	↑ 0,65	↓ -0,34
USD/CAD	1,3151	↓ -0,42	↑ 0,89
USD/RUB	64,81	↓ -0,51	↑ 0,47

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	15,4	↓ -0,9	↓ -2,1
CDS 5Y PIIS	15	↑ 2,6	↑ 5,7
CDS 5Y Italy	121	↑ 1,1	↑ 2,1
CDS 5Y Belg.	116	↓ -0,8	↓ -0,5
iTraxx 5Y EU	22,1	↑ 1,1	↑ 3,1
US TED Spread	71,4	→ 0,0	↑ 7,1

Source: Reuters, OTP Research

**Summary**

- News that Deutsche Bank may be fined USD 14 billion weighed on the banking sector on both sides of the Atlantic on Friday.
- Stock markets closed down in Europe and America; European carmakers underperformed.
- The two-day Fed meeting, starting tomorrow, is not expected to raise interest rates.

Western Europe's stock markets extended their losses on Friday; the Stoxx600 fell 0.8%. Car producers and banks were clearly the worst performers; Deutsche Bank's more than 8% tumble weighed on Europe's whole banking sector. The German big bank's plunge started after the US Ministry of Justice said it was planning to impose an USD 14 billion fine on the bank, for its former practice of selling mortgage-backed securities. Since the beginning of 2008, Deutsche Bank has paid USD 9 billion fine, according to Bloomberg's data. Deutsche's shares stood 8.8% in the red at one point on Friday, but closed 'only' 8.4% lower. Nevertheless, analysts warn that the amounts ultimately paid in banking fines tend to be significantly short of the original figures. On Friday Deutsche Bank dragged down most European banking shares; the already troubled banks of periphery countries and financial institutions that had been hit by mortgage-backed securities proved to be the least resilient: Banco Comercial Português and Banca Monte dei Paschi plummeted 7%, Unicredit lost 5.5%, the Royal Bank of Scotland fell 4.7%, and Credit Suisse dived 4.1%. Due to Deutsche Bank's fall, as well as to BMW's and Volkswagen's above-2% reversal the DAX closed 1.5% in the red. The Milan stock index dropped 2.4% on Friday; Fiat Chrysler (-2.1%) recalled 1.4 million cars in the USA. At sector level, health care, real property and telecom companies did well on Friday.

The key stock indices of America edged down as the selloff generated by Deutsche Bank weighed on US financial service providers too. Of the S&P's sector indices, the financial one was in the worst shape: Wells Fargo shrank 1.6%, Citibank shed 1.4%, and Bank of America slipped 1.2%. The WTI crude sank to its one-month low, dragging down the energy sector. The technology sector also fell, as Apple shrank 0.6%, and Oracle was 5% down because of a disappointing quarterly report. Intel's 3% rally, due to increasing its Q3 revenue forecast, could only partly offset it. Investors sought defensive papers; the winners of the day were utility names.

Asia's stock markets were cautiously optimistic this morning; the Hang Seng and the Shanghai Composite gained less than 1%. There were no specific corporate news behind this growth, but the higher oil price noticeably benefited the sentiment. Japan's market was closed today, and markets do not expect Wednesday's meeting of the Bank of Japan to change the existing monetary conditions.

This morning, stock index futures point to growth in Western Europe and America alike.

**GOV'T BOND MARKET**

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,77	↑	3	↓	-1
US 10Y	1,69	↑	0	↑	3
JP 2Y	0,00	↑	27	↑	22
JP 10Y	0,00	↑	4	↑	1
GER 2Y	-0,65	↓	0	↓	0
GER 10Y	0,03	↑	1	↑	8

**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	0,86	↑	0	↑	1
US 2Y Swap	0,99	↑	0	↓	-2
US 5Y Swap	1,18	↓	-2	↓	-2
EUR 3M Euribor	-0,30	→	0	→	0
EUR 2Y Swap	-0,24	↓	-1	↓	-2
EUR 5Y Swap	-0,12	↓	-2	↓	-2
GB 3M Libor	0,38	↑	0	↑	1
GB 2Y Swap	0,44	↓	-1	↓	-1
GB 5Y Swap	0,55	↓	-2	↓	-3
JP 3M Libor	-0,04	↑	0	↓	0
JP 2Y Swap	-0,11	→	0	↓	-1
JP 5Y Swap	-0,10	↓	-1	↓	-3
CHF 3M Libor	-0,74	→	0	↓	-1
CHF 2Y Swap	-0,67	↓	-2	↓	-1
CHF 5Y Swap	-0,56	↓	-3	↑	2

**COMMODITIES**

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	45,8	↓	-1,76	↓	-3,79
Gold	1 310	↓	-0,28	↓	-0,87

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. The most important event of the forthcoming week will be the Fed Open Market Committee's meeting on Tuesday and Wednesday. Currently markets do not expect the Fed to tighten its monetary conditions. The inflation data released on Friday signify stronger-than-thought growth in prices (both headline and core inflation), which means that the gauge is nearing the Fed's inflation target.

On Friday the University of Michigan published the most recent consumer confidence index, which flat-lined since the previous month but missed (the positive) expectations.

Today home price indices are due out in China and in America, while the euro area will publish current account balance and construction statistics.

China's August home price index signifies accelerating price increase, topping market expectations. Prices in China's 70 largest cities have grown by 9.2% year over year; this is the highest reading over the past 30 months in the country. Home prices in Shanghai and Beijing have surged 31% and 24% respectively from the same month of the previous year.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Friday	US	Aug	CPI (m/m, %)		0,1	0,0
	US	Aug	Core CPI (m/m, %)		0,2	0,1
	US	Sep	Michigan Consumer confidence		91,0	89,8
Monday	CN	Aug	Home Price Index (yoy, %)	9,2	8,1	7,9
	EZ	Jul	Current account balance (EURbn)		-	37,6
	US	Sep	NAHB Housing Market Index (points)		60	60

Source: Reuters, OTP Research

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