



**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 294	↑ 0,90	↑ 1,44
S&P500	2 163	↑ 1,09	↑ 1,76
Nasdaq100	4 854	↑ 1,01	↑ 2,27
Russell2000	1 245	↑ 1,36	↑ 1,47
Stoxx600	342	↑ 0,43	↑ 1,19
DAX	10 436	↑ 0,41	↑ 0,56
FTSE 100	6 835	↑ 0,06	↑ 2,42
CAC40	4 410	↑ 0,48	↑ 0,90
ATX	2 363	↑ 0,70	↑ 1,44
IBEX35	8 759	↑ 0,83	↑ 0,64
Nikkei 225	16 808	→ 0,00	↑ 4,62
Hang Seng	22 129	↑ 0,30	↑ 1,74
SSEC	3 046	↑ 0,66	↑ 1,43
SENSEX	28 743	↑ 0,83	↓ -0,60
RTS	980	↑ 1,01	↑ 0,93
Bovespa	58 394	↑ 1,14	↑ 2,34

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1185	↑ 0,30	↓ -0,19
EUR/CHF	1,0895	↓ -0,20	↓ -0,23
GBP/USD	1,3025	↑ 0,28	↓ -1,60
USD/JPY	100,28	↓ -0,01	↓ -1,77
AUD/USD	0,7647	↑ 0,31	↑ 1,77
USD/CAD	1,3060	↓ -0,30	↓ -0,77
USD/RUB	63,80	↓ -0,15	↓ -1,40

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,3	↓ -2,6	↓ -4,8
CDS 5Y PIIS	13	↓ -2,1	↑ 2,9
CDS 5Y Italy	120	↓ -2,0	↑ 1,2
CDS 5Y Belg.	117	↓ 0,0	↑ 0,2
iTraxx 5Y EU	22,8	↓ -0,8	↑ 3,5
US TED Spread	73,3	→ 0,0	↑ 12,3

Source: Reuters, OTP Research

**Summary**

- There was benign sentiment on global markets yesterday.
- The Fed did not change monetary conditions but most decision-makers expect rate hikes this year.
- Trading in Asia started brightly.

Trading on global markets started on a bright note yesterday. Volatility remained low before the Fed's rate decision. Equity indices made modest gains. In Europe, the periphery countries' stocks, especially those of Greece and Italy, outperformed. Commodity prices increased in yesterday's trading. The Brent soared 2.3% and gold price upped 0.9%.

As expected, the Fed left its base rate on hold at the meeting that ended yesterday, but its hawkish decision makers already outnumber dovish ones. According to the subsequent statement, risks are smaller than had been; this is an important shift in the tone of the announcement. Currently market sees 14% chance of a rate hike in November, while the probability of at least one rate hike until December is 55%. If the data to be released in the coming period indicate improvement, then the odds of fed fund increase further.

In an important change, the Fed significantly reduced its interest rate expectations for 2017 and 2018. But Janet Yellen's speech in Jackson Hole had well paved the way for that, thus it is unlikely to surprise markets. On the whole, markets received well the Fed's decision, and stock indices edged higher. The USD weakened against the EUR at the end of the day.

According to the Discovery Capital Management macro hedge fund's chief, the time for correction on global equity markets has come. It is expected to last three to four months and is likely to be the biggest correction since 2008. In corporate news, Apple is said to be planning to buy a car industry business, McLaren Technology Group, whose market value is estimated at USD 1-1.5 billion. Realizing this strategic investment could take Apple one step closer to entering the market of self-driving cars.

Trading in Asia began brightly, with the Hang Seng rising by 0.3% and the SSEC advancing 0.7%.

Rather surprisingly, the yen started to weaken against the US dollar after Wednesday's rate-setting meeting of Japan's central bank, but it regained strength later in the day, closing 1.4% stronger. The USD lost 0.3% versus the EUR as the Fed did not change its monetary conditions. Nonetheless, the dollar's weakening contradicts to the fact that the market has not priced in entirely the December rate hike and the current meeting showed that most decision-makers expect one more Fed fund rate hike before the end of this year.

**GOV'T BOND MARKET**

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,78	→ 0	↑ 2
US 10Y	1,69	→ 0	↓ -1
JP 2Y	-0,27	→ 0	↑ 1
JP 10Y	-0,06	→ 0	↓ -4
GER 2Y	-0,66	↓ -1	↓ -4
GER 10Y	-0,01	↓ -4	↓ -9

**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	↑ 2
US 2Y Swap	1,00	↓ -3	↑ 2
US 5Y Swap	1,18	↓ -1	↑ 1
EUR 3M Euribor	-0,30	→ 0	↑ 0
EUR 2Y Swap	-0,23	↓ -1	↓ -1
EUR 5Y Swap	-0,11	↑ 1	↓ -1
GB 3M Libor	0,00	↓ 0	↓ 0
GB 2Y Swap	0,43	↑ 0	↑ 4
GB 5Y Swap	0,51	↑ 0	↓ -6
JP 3M Libor	0,00	→ 0	↓ 0
JP 2Y Swap	-0,08	→ 0	↑ 4
JP 5Y Swap	-0,09	↑ 0	↑ 1
CHF 3M Libor	0,00	↑ 0	↓ -1
CHF 2Y Swap	-0,66	↑ 0	↓ -1
CHF 5Y Swap	-0,54	↑ 1	↓ -1

**COMMODITIES**

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	46,8	↑ 2,07	↑ 1,33
Gold	1 336	↑ 1,66	↑ 1,41

Source: Reuters, OTP Research

From the few macroeconomic releases that are due out today, the USA leading indicators index and the eurozone consumer confidence index may provide guidance to markets. In addition, the after-effects of yesterday's rate decisions in Japan and the USA may also have an effect on today's trading.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Wednesday	JP	Sep	Rate decision (%)	0	0	0
	US	Sep	Rate decision (%)	0,25-0,5	0,25-0,50	0,25-0,50
Thursday	US	Aug	Leading Indicators (mom, %)		0,0	0,4
	EZ	Sep	Consumer confidence (preliminary, point)		-8,4	-8,5
	US	Apr	Existing home sales (annualized monthly, thousand)		5440	5390

Source: Reuters, OTP Research

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