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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 269	↓ -0,07	↑ 0,69
S&P500	2 161	↑ 0,05	↑ 0,45
Nasdaq100	4 874	↓ -0,08	↑ 0,74
Russell2000	1 246	↓ -0,17	↓ -0,43
Stoxx600	343	↓ -0,40	↑ 0,03
DAX	10 569	↓ -0,16	↑ 1,57
FTSE 100	7 000	↓ -0,47	↑ 1,16
CAC40	4 480	↓ -0,22	↑ 0,82
ATX	2 411	↓ -0,24	↓ -0,17
IBEX35	8 757	↓ -0,24	↓ -0,44
Nikkei 225	16 860	↓ -0,23	↑ 4,67
Hang Seng	23 829	↓ -0,52	↑ 2,28
SSEC	3 005	↔ 0,00	↔ 0,00
SENSEX	28 043	↓ -0,23	↓ -0,60
RTS	1 004	↑ 0,72	↑ 0,61
Bovespa	60 644	↑ 0,65	↑ 3,93

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1149	↓ -0,48	↓ -1,08
EUR/CHF	1,0935	↑ 0,19	↑ 0,01
GBP/USD	1,2614	↓ -1,05	↓ -2,78
USD/JPY	103,92	↓ -0,01	↑ 2,56
AUD/USD	0,7572	↓ -0,13	↓ -1,07
USD/CAD	1,3238	↑ 0,17	↑ 0,85
USD/RUB	62,16	↑ 0,10	↓ -1,13

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,8	↓ -0,2	↓ -1,2
CDS 5Y PIIS	13	↓ -2,3	↑ 0,7
CDS 5Y Italy	126	↓ -3,7	↑ 2,3
CDS 5Y Belg.	129	↓ 0,0	↓ -0,8
iTraxx 5Y EU	20,8	↑ 0,1	↑ 0,7
US TED Spread	73,7	↔ 0,0	↓ -4,2

Source: Reuters, OTP Research

Summary

- In Thursday's quiet and rather directionless trading, most developed stock indices ended with slight loss.
- Crude prices soared higher, bucking the general trend on commodity markets, where gold, silver, and copper prices all subsided.
- The ECB's leaders refuted rumours that the Bank would reduce the size of its monthly asset purchases.

America's indices closed mixed: the NASDAQ and the Dow Jones both ended in the red, only the S&P could wipe out its earlier loss. Markets continue to lack a single direction, indices tend to move sideways, with choppy trading in a relatively narrow range. Western Europe's stock markets showed similar pattern, but the DAX, the CAC and the FTSE all closed slightly in the red. The directionless trading on Europe's stock markets is well illustrated by the lack of underperforming or outperforming sectors (except for the banking sector's downward moves): the share prices of companies of the same sector mostly moved in opposing directions. The picture is clearer in America, where tech names and household electronics producers outperformed, while industrial goods and pharmaceutical manufacturers mostly underperformed. Mining companies fared well yesterday. But Twitter nose-dived 19%, as neither Walt Disney nor Google submitted bid for it.

The macroeconomic data published yesterday did move markets, but the stronger-than-expected German factory goods orders figure greatly helped the DAX open in positive territory. Trading in Asia was quiet; the Nikkei has been the mirror image of the USD/JPY for days. Yesterday the pair corrected slightly after the recent days' gains, and the Nikkei followed suit, ending the day slightly in the red.

The minutes of the ECB's most recent meeting was much-awaited by investors because the rumours spreading in the recent days had suggested that the ECB might taper its monthly bond purchase programme. But a leading ECB official, Vitor Constancio clearly refuted these hearsays. Meanwhile, the GBP hit a new 30Y low against the USD, pushing the cross to 1.26. The greenback also made inroads into the yen: the USD/JPY bounced back from the 100 mark, to 104.

On the commodities market, the crude's price march higher continued; the Brent exceeded the 52.5 USD/barrel price, owing to the recent OPEC meeting and the shrinking oil reserves in the USA. It is heading toward important levels at USD 55-56. But the crude's good performance was a one-off among commodities: gold, silver, and copper prices all dipped.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,85	↑ 1	↑ 12
US 10Y	1,73	↑ 2	↑ 18
JP 2Y	-0,27	↑ 0	↓ -2
JP 10Y	-0,06	→ 0	↑ 3
GER 2Y	-0,68	↓ 0	↑ 2
GER 10Y	-0,01	↑ 4	↑ 11

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	↑ 3
US 2Y Swap	1,05	↓ -2	↑ 5
US 5Y Swap	1,27	↑ 1	↑ 10
EUR 3M Euribor	-0,30	↓ 0	↓ 0
EUR 2Y Swap	-0,22	↓ 0	↑ 2
EUR 5Y Swap	-0,11	↓ 0	↑ 5
GB 3M Libor	0,00	↑ 0	↑ 1
GB 2Y Swap	0,47	↑ 2	↑ 2
GB 5Y Swap	0,57	↑ 3	↑ 9
JP 3M Libor	0,00	↑ 0	↑ 2
JP 2Y Swap	-0,10	↓ 0	↑ 2
JP 5Y Swap	-0,09	↓ -1	↑ 2
CHF 3M Libor	0,00	↑ 1	↑ 2
CHF 2Y Swap	-0,67	↓ 0	↑ 3
CHF 5Y Swap	-0,55	↓ -1	↑ 4

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	52,5	↑ 1,25	↑ 7,13
Gold	1 254	↓ -0,94	↓ -4,88

Source: Reuters, OTP Research

Germany's factory orders went through the roof in August, according to the statistics published this morning; the 2.5% month/month growth was vastly higher than forecast. However, this is a correction from the previous month's 1.5% decline; therefore the underlying processes may not be that favourable. Today the August factory orders data are due out in the United Kingdom.

The most important figures of the day include the US non-farm payrolls, as well as the related unemployment rate and monthly wages statistics. A significant divergence from expectations could have a strong market-moving effect.

The USA is not the only place in America to disseminate data; Canada will release unemployment and activity data today and the Bank of Canada will publish its newest Business Outlook Survey.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Thursday	DE	Aug	Industrial orders (m/m, %)	1,0	0,2	0,2
	EZ		ECB minutes	-	-	-
	US		Unemployment Claims (ths. people)	249,0	255,0	254,0
	EZ	Oct	Retail PMI	49,6		51,0
Friday	DE	Aug	Industrial production(mom, %)	2,5	0,8	-1,5
	US		IMF WorldBank meeting	-	-	-
	UK	Aug	Industrial production(mom, %)		0,1	0,1
	US	Sep	Unemployment rate (%)		4,9	4,9
	US	Sep	Avg. Wages (y/y, %)		2,5	2,4
	US	Sep	Avg. Wages (m/m, %)		0,2	0,1
	US	Sep	Non-farm payroll (m/m, ths. people)		176,0	151,0

Source: Reuters, OTP Research

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