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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	14 946	↓ -0,43	↓ -0,43
S&P500	1 657	↓ -0,40	↑ 0,65
Nasdaq100	3 123	↓ -0,06	↑ 1,72
Russell2000	1 038	↑ 0,02	↑ 2,49
Stoxx600	304	↓ -0,08	↓ -0,10
DAX	8 435	↑ 0,22	↑ 0,82
FTSE 100	6 492	→ 0,00	↑ 0,41
CAC40	4 067	↓ -0,06	↓ -0,41
ATX	2 499	↓ -0,45	↑ 0,06
IBEX35	8 650	↓ -0,42	↓ -0,08
Nikkei 225	13 542	↓ -0,69	↑ 1,09
Hang Seng	22 005	↑ 0,65	↓ -2,04
SSEC	2 096	↑ 1,90	↑ 0,52
SENSEX	18 558	↑ 0,21	↑ 1,37
RTS	1 324	↓ -0,49	↑ 0,17
Bovespa	51 429	↓ -1,47	↓ -0,28

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3358	↓ -0,07	↓ -0,43
EUR/CHF	1,2312	↓ -0,24	↑ 0,03
USD/GBP	1,5565	↓ -0,06	↓ -0,64
USD/JPY	98,13	↓ -0,38	↑ 0,89
AUD/USD	0,8952	↓ -0,87	↓ -1,31
USD/CAD	1,0527	↑ 0,28	↑ 1,33

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	15,0	↑ 1,0	↓ -0,1
EMBI+ Spread	293	↓ -11	↓ -3
CDS 5Y PIIS	224	↓ 0	↑ 6
CDS 5Y Italy	190	↓ 0	↓ -3
CDS 5Y Belg.	36	↑ 0	↑ 0
iTraxx 5Y EU	100,4	↓ -2	↑ 2
US TED Spread	22,2	↓ -2	↓ 0

Source: Reuters, OTP Research

Summary

- Monday's reports were mostly negative, and stock markets saw slightly pessimistic traders.
- This morning the key indices in Asia were heading down, and the dollar is firming to the euro.
- US durable goods orders statistics were as discouraging as Friday's new home sales data. On the other hand, Germany's IFO index grew stronger than had been expected.

On Monday, when the bank holiday in London caused moderate turnover elsewhere, mostly unfavourable news were published but only the Italian stock exchange saw material loss. The Milan stock exchange fell 2% on the back of former Prime Minister Silvio Berlusconi's words that his decision whether or not to support the fragile government coalition would depend on the outcome of the court cases against him. Banking shares were particularly hit by the selloff. The worse-than-expected gauge of US durable goods orders (the second alarming macroeconomic release in two days) did not do much good to the sentiment. Neither did US Foreign Minister John Kerry's statement, which held out the prospect of US military intervention in Syria.

That said, the key stock market indices saw slight losses, partly due to the lower turnover. This morning, Asia was rather low-spirited too. After its weakening on Monday afternoon, the dollar is seen firming to the euro today.

Europe's stock markets did not change noticeably. In the USA, the pharmaceutical Amgen, the vehicle manufacturer Tesla and social networking company Facebook all soared. The latter's market capitalisation reached USD 100 billion for the first time.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,37	↓ -1	↑ 2
US 10Y	2,80	↓ -3	↓ -7
JP 2Y	0,11	↓ 0	↑ 0
JP 10Y	0,77	↓ -1	↓ -1
GER 2Y	0,29	↑ 2	↑ 6
GER 10Y	1,93	↑ 1	↑ 2

CENTRAL BANKS' RATES

	Rate (%)	6M Consensus	1Y Consensus
Fed Funds	0,25	→ 0,25	→ 0,25
ECB Rate	0,50	→ 0,50	→ 0,50
BOE Rate	0,50	→ 0,50	→ 0,50
BOJ Rate	0,10	→ 0,10	→ 0,10
SNB Target	0,00	→ 0,00	→ 0,00

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
US 3M Libor	0,26	→ 0	↓ 0
US 2Y Swap	0,53	↓ -1	↑ 3
US 5Y Swap	1,74	↑ 0	↑ 3
EUR 3M Euribor	0,23	→ 0	↓ 0
EUR 2Y Swap	0,63	↓ -2	↑ 4
EUR 5Y Swap	1,36	↓ -1	↑ 7
GB 3M Libor	0,51	→ 0	↑ 0
GB 2Y Swap	0,84	↑ 1	↑ 0
GB 5Y Swap	1,81	↓ -1	↑ 2
JP 3M Libor	0,15	→ 0	→ 0
JP 2Y Swap	0,25	↑ 1	↑ 0
JP 5Y Swap	0,43	↓ -1	↑ 2
CHF 3M Libor	0,02	→ 0	→ 0
CHF 2Y Swap	0,21	↓ 0	↑ 0
CHF 5Y Swap	0,82	↓ 0	↑ 6

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	111,0	↑ 0,27	↑ 0,80
Gold	1 399	↓ -0,39	↑ 2,06

Source: Reuters, OTP Research

US durable goods orders contracted by a stronger-than-expected 7.3% in July. Although the time series of the monthly changes is extremely volatile, the fact that it fell by nearly the double of what analysts' consensus had forecast has astonished economists, particularly after Friday's discouraging new home sales reading. Stripping out volatile items (airfares and military orders), the statistical office recorded 1.5% fall, suggesting that the Fed's fears may be justified, and the rising interest rate environment seen in the recent months may hold back the economy's pick-up.

In this morning's publication, Germany's IFO business climate index grew stronger in August than had been thought: the 107.5 reading is at its highest since April 2012. The assessment of the current situation and the expectations have both improved. All these factors suggest that Germany's economy may sustain strong growth in Q3, after the preceding quarter's +0.7% expansion.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	US	Jul	Durable goods (%)	-7,3	-4,0	3,9
Tuesday	DE	Aug	IFO business climate (point)	107,5	107,0	106,2
	US	Jun	CaseShiller 20 price index (yoy, %)		12,1	12,2

Source: Reuters, OTP Research

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