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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	14 865	↓ 0,00	↑ 2,06
S&P500	1 589	↓ -0,28	↑ 2,29
Nasdaq100	2 856	↓ -0,09	↑ 3,06
Russell2000	943	↓ -0,44	↑ 2,12
Stoxx600	292	↓ -0,87	↑ 1,83
DAX	7 745	↓ -1,61	↑ 1,12
FTSE 100	6 384	↓ -0,49	↑ 2,15
CAC40	3 729	↓ -1,23	↑ 1,80
ATX	2 437	↓ -1,30	↑ 4,75
IBEX35	8 040	↓ -1,46	↑ 3,10
Nikkei 225	13 356	↓ -0,96	↑ 1,24
Hang Seng	22 089	↓ -0,06	↑ 1,67
SSEC	2 207	↓ -0,58	↓ -0,83
SENSEX	18 243	↓ -1,62	↓ -1,13
RTS	1 405	↓ -1,93	↓ -0,40
Bovespa	54 963	↓ -0,79	↓ -0,16

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3077	↓ -0,26	↑ 0,54
EUR/CHF	1,2169	↑ 0,06	↑ 0,06
USD/GBP	1,5327	↓ -0,09	↑ 0,49
USD/JPY	98,07	↓ -0,32	↓ -1,29
AUD/USD	1,0443	↓ -0,59	↑ 0,35
USD/CAD	1,0185	↑ 0,51	↑ 0,21

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,1	↓ -0,2	↓ -1,9
EMBI+ Spread	287	↑ 12	↑ 30
CDS 5Y PIIS	232	↑ 3	↓ -7
CDS 5Y Italy	220	↑ 5	↓ -11
CDS 5Y Belg.	39	↑ 1	↓ -3
iTraxx 5Y EU	110,6	↑ 3	↓ -8
US TED Spread	21,5	↓ 0	↓ 0

Source: Reuters, OTP Research

Summary

- The pessimism on key European and US stock markets pushed the major indices into the red on Friday.
- On Friday the eurozone's finance ministers approved the EUR 23 bn bailout package for Cyprus, including a 10-billion-euro international credit facility.
- The USA published disappointing macroeconomic data on Friday.
- China's growth slowed in Q1, as opposed to the forecast acceleration.

There was unhelpful investment sentiment in Europe's the USA's stock markets on the last trading day of the week. News about Cyprus (the size of the bailout package for the country may reach EUR 23 billion, as opposed to earlier estimations of EUR 17 billion; with Cyprus having to pay the entire difference), and the disappointing American macroeconomic statistics added to investors' willingness to sell. All of Europe's major benchmarks closed lower: the Footsie nudged 0.5% down, the CAC40 sank 1.2%, and the DAX decreased by 1.6%. The banking sector's stocks were under pressure across Europe. Neither did car manufacturers fare well.

The eurozone's finance ministers approved the EUR 23 billion rescue package for Cyprus on Friday, including a ten-billion-euro international credit facility. Thus the country's measures to contribute towards the consolidation amount to EUR 13 billion, including the transformation of the banking system, privatization and selling other assets of the state. The first payment is likely to take place in mid-May, after the management board of the eurozone's permanent rescue fund ESM approves it on its 24 April meeting.

Similarly to their European peers, American indices headed downward after the opening. The pessimistic mood remained there until the end of trading, making all leading indices close the week lower. Of the Dow's components, Home Depot was the strongest stock with 2.3% increase, and easing 1.2% made Alcoa the weakest link. In S&P's sector indices, both cyclical (+0.54%) and non-cyclical consumer goods (+0.36%) were strong. The weakest sub-indices were energy (-1.56%), and industrial raw materials (-1.48%). JP Morgan posted its quarterly earnings on Friday: its EPS in the first quarter came in at USD 1.59, more than the forecast USD 1.39, while the figure in its revenue line matched expectations. The management sees the positive signs to suggest that the American economy is healthy and is strengthening, and pointed out that home prices started to rise again, and the housing market started to recover too. Despite the good earnings report, the bank's stocks closed 0,6% lower in Friday's trading.

The key indices of the Asian region started the week lower, probably because of China's much weaker than expected GDP reading. As opposed to the forecast acceleration, the country's growth slowed in the first quarter of 2013. China's economy expanded by 7.7% year on year, which is 0.2% percentage point less than in Q4 2012. Analysts had expected 8% growth. The short-term dynamics was 1.6%, against the expected 2%. This morning's data may fret analysts because despite the Asian country's significant monetary and fiscal easing, the country is slowing.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,23	↓ 0	→ 0
US 10Y	1,72	↓ -8	↑ 2
JP 2Y	0,13	↑ 1	↑ 4
JP 10Y	0,63	↑ 7	↑ 9
GER 2Y	0,04	↓ -1	↑ 5
GER 10Y	1,30	↓ 0	↑ 5

CENTRAL BANKS' RATES

	Rate (%)	6M Consensus	1Y Consensus
Fed Funds	0,25	→ 0,25	→ 0,25
ECB Rate	0,75	→ 0,75	→ 0,75
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	0,28	↑ 0	↓ 0
US 2Y Swap	0,35	↑ 0	↓ 0
US 5Y Swap	0,85	↑ 1	↓ -4
EUR 3M Euribor	0,21	↓ 0	→ 0
EUR 2Y Swap	0,43	↓ -1	↓ -2
EUR 5Y Swap	0,82	↓ -1	↓ -3
GB 3M Libor	0,51	↓ 0	↓ 0
GB 2Y Swap	0,57	↑ 2	↑ 7
GB 5Y Swap	0,90	↑ 2	↑ 9
JP 3M Libor	0,16	→ 0	→ 0
JP 2Y Swap	0,27	↑ 2	↑ 7
JP 5Y Swap	0,43	↑ 2	↑ 9
CHF 3M Libor	0,02	→ 0	↓ 0
CHF 2Y Swap	0,07	↓ 0	↑ 0
CHF 5Y Swap	0,42	↑ 1	↑ 1

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	101,1	↓ -1,98	↓ -3,43
Gold	1 450	↓ -1,92	↓ -7,83

Source: Reuters, OTP Research

The eurozone's industrial production rose by 0.4% month/month in February. The detailed data reveal that energy companies boosted their output by 2.6%, while non-consumer goods manufacturers reduced their output by 1.5%. A breakdown by countries shows that the Netherlands and Slovenia grew the strongest, while a material fall was seen in Estonia and Malta.

US retail sales contracted by 0.4% in March, instead of the expected stagnation. The turnover of petrol stations, electronics retailers and food stores fell sharply in March, the Department of Commerce's data show, while American households spent less on leisure and hygiene. Only furniture stores, catering and web shops saw growth. The January retail gauge was revised from 0.2% to 0.1%, and the February figure was revised from 1.1% to 1%.

According to the US producer price statistics for March, prices dropped by 0.6% since February, against the expected 0.1%, chiefly because of the considerable decline in fuel prices. Energy has become 3.4% cheaper in a single month, the Department of Labor's reports shows.

The University of Michigan's sentiment index in April signified a deterioration in American consumers' optimism, as the index fell to 72.3 points, from 78.6 in March.

Before US markets open today, Citigroup will post its Q1 earnings report.

	COUNTRY	DATE		FACT	CONSENSUS	PREVIOUS
Friday	EZ	Feb	Industrial production (mom, %)	0,4	0,1	-0,4
	US	Mar	Producer prices (mom, %)	1,7	-0,2	0,7
	US	Mar	Retail sales (mom, %)	-0,4	0,0	1,1
	US	Apr	University of Michigan sentiment (preliminary, point)		78,5	78,6
Monday	EZ	Feb	Trade balance (million EUR)		3,0	-3,9
	US	Apr	NY Fed manufacturing index (point)		6,5	9,2

Source: Reuters, OTP Research

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