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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	15 295	↓ -0,08	↑ 0,40
S&P500	1 651	↓ -0,29	↑ 0,00
Nasdaq100	2 991	↓ -0,26	↓ -0,26
Russell2000	984	↑ 0,21	↓ -0,11
Stoxx600	304	↓ -2,12	↓ -1,29
DAX	8 352	↓ -2,10	↓ -0,21
FTSE 100	6 697	↓ -2,10	↑ 0,13
CAC40	3 967	↓ -2,07	↓ -0,30
ATX	2 448	↓ -1,87	↓ -1,47
IBEX35	8 344	↓ -1,40	↓ -2,33
Nikkei 225	14 542	↑ 0,40	↓ -3,94
Hang Seng	22 670	↓ -2,54	↓ -1,79
SSEC	2 276	↓ -1,16	↑ 1,06
SENSEX	19 674	↓ -1,93	↓ -2,83
RTS	1 401	↓ -4,18	↑ 1,47
Bovespa	56 350	↓ -0,14	↑ 2,88

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,2921	↓ -0,11	↑ 0,65
EUR/CHF	1,2514	↓ -0,10	↑ 0,28
USD/GBP	1,5092	↓ -0,10	↓ -0,51
USD/JPY	101,75	↓ -0,25	↓ -1,39
AUD/USD	0,9674	↓ -0,79	↓ -0,50
USD/CAD	1,0329	↑ 0,26	↑ 0,52

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	14,1	↑ 0,3	↑ 1,0
EMBI+ Spread	287	↑ 12	↑ 30
CDS 5Y PIIS	182	↑ 11	↓ -9
CDS 5Y Italy	191	↑ 12	↓ -3
CDS 5Y Belg.	33	↑ 1	↓ -2
iTraxx 5Y EU	91,8	↑ 5	↓ -2
US TED Spread	22,8	→ 0	↓ -1

Source: Reuters, OTP Research

Summary

- Pessimism ruled European markets yesterday, all key indices ended Thursday's session with losses.
- The day started with losses on US markets, but the better-than-expected macroeconomic data as well as the slightly improving investment sentiment helped benchmarks make up for much of their earlier losses.
- In the USA, new home sales grew by 9% in April.

Thursday's trading started pessimistically in European markets. Investors were discouraged by Wednesday's publication of the Fed's minutes (which suggests that the Federal Reserve may start decelerating its asset purchase programme as early as in the autumn, earlier than had been thought), as well as by the much-weaker-than-expected Chinese manufacturing PMI (which exacerbated the worries about the Asian economy's losing steam). Neither did the fragile investment sentiment benefit from the near-7% nose-diving of Japan's Nikkei index in Thursday morning's Asian trading, a plunge last seen in March 2011.

European markets started yesterday's trading in the negative territory. The unhelpful sentiment slightly eased during the day, but that was not enough to save the key benchmarks from losing nearly 2%. In Europe, the banking sector saw the heftiest losses: the Royal Bank of Scotland fell by 3.6%, and Commerzbank plunged 4.9%, and BNP Paribas contracted by 2.8%. The weaker Chinese manufacturing figure weighed chiefly on the mining and car manufacturing sectors. Anglo American sank 5.1%, Rio Tinto plummeted 4.3%, and BHP Billiton sank 2.9%, and among car manufacturers, Daimler slid 2.8%, BMW went back 2.2%, and Volkswagen retreated 2%.

US trading began gloomily too, with all major indices opening with losses. Thanks to the better-than-expected data on the labour and real estate markets, coupled with the modestly improving sentiment, benchmarks offset much of the initial losses. At the end of the day, the Dow edged 0.1% lower, the Nasdaq dipped 0.2%, and the S&P shed 0.3% in Thursday's session. Of the S&P's sector indices, the financial and the utilities sub-indices were the weakest links, declining nearly 0.7%. Only the commodity and energy sector indices could achieve gains. Of the Dow's components, Microsoft and Alcoa were the worst performers, decreasing 1.3% and 1.7% respectively.

This morning, most of Asia's major indices posted moderate gains. In the first half of trading, Japan's stock exchange worked off most of the previous day's losses, but then the Nikkei headed down. The most probable reason for that was the speech by the Bank of Japan's head Haruhiko Kuroda, who said that maintaining the stability of loan markets is of key importance for the country. Towards the end of trading, buyers showed up, allowing the Japanese stock exchange close slightly higher. The Hang Seng and the Shanghai Composite also made modest gains on the last trading day of the week.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,25	↑	0	↑	2
US 10Y	2,03	↓	-2	↑	15
JP 2Y	0,12	↓	-1	↓	-1
JP 10Y	0,86	↓	-12	↑	5
GER 2Y	0,00	↓	-1	↓	-2
GER 10Y	1,39	↑	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	0,27	↓	0	↓	0
US 2Y Swap	0,38	↓	-1	↑	0
US 5Y Swap	1,03	↓	-1	↑	6
EUR 3M Euribor	0,20	→	0	↓	0
EUR 2Y Swap	0,38	↑	0	↑	5
EUR 5Y Swap	0,84	↓	-1	↑	7
GB 3M Libor	0,51	→	0	→	0
GB 2Y Swap	0,61	↓	-1	↓	-1
GB 5Y Swap	1,03	↑	1	→	0
JP 3M Libor	0,16	→	0	→	0
JP 2Y Swap	0,26	↓	-1	↓	-1
JP 5Y Swap	0,51	↑	1	→	0
CHF 3M Libor	0,02	↑	0	↑	0
CHF 2Y Swap	0,08	↑	1	↑	3
CHF 5Y Swap	0,40	↑	1	↑	3

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	102,3	↓	-0,12	↓	-2,22
Gold	1 392	↑	0,08	↑	2,43

Source: Reuters, OTP Research

Initial jobless claims in the USA decreased by 23,000, to 340,000 last week. This came somewhat surprisingly because analysts had anticipated 348,000 reading. Continued jobless claims were also on the decline, as their number dropped by 112,000, to 2.9 million.

In April, 9% more new homes were sold in the USA than a month earlier. This means selling 454,000 homes a year, the highest gauge since April 2010. Analysts had forecast 429,000.

	COUNTRY	DATE		FACT	CONSENSUS	PREVIOUS
Thursday	US	weekly	Initial jobless claims (ths)	340	345	360
	US	weekly	Continued jobless claims (ths)	2 912	3 000	3 009
	US	Apr	New home sales (m)	0,5	0,425	0,417
	EZ	May	Markit composite flash PMI (points)	47,7	47,2	46,9
	DE	May	Markit composite flash PMI (points)	49,0	48,5	48,1
Friday	FR	May	Markit composite flash PMI (points)	44,3	-	44,3
	DE	Q1	GDP detailed (yoy, %)		-	-1,4
	DE	May	Ifo business climate (points)		104,5	104,4
	US	Apr	Durable goods (%)		1,5	-6,9

Source: Reuters, OTP Research

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