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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	15 070	↓ -0,70	↓ -1,17
S&P500	1 627	↓ -0,59	↓ -1,01
Nasdaq100	2 944	↓ -0,64	↓ -1,57
Russell2000	981	↓ -0,84	↓ -0,63
Stoxx600	291	↑ 0,21	↓ -1,45
DAX	8 128	↑ 0,40	↓ -1,54
FTSE 100	6 308	↑ 0,29	↓ -1,62
CAC40	3 805	↑ 0,19	↓ -1,74
ATX	2 370	↑ 0,83	↓ -1,63
IBEX35	8 071	↓ -0,01	↓ -2,37
Nikkei 225	13 033	↑ 2,73	↓ -3,56
Hang Seng	20 969	↑ 0,39	↓ -2,81
SSEC	2 162	↑ 0,64	↓ -2,21
SENSEX	19 178	↑ 1,86	↓ -1,29
RTS	1 294	↑ 2,56	↓ -1,56
Bovespa	49 332	↓ -2,15	↓ -4,43

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3330	↓ -0,12	↑ 0,56
EUR/CHF	1,2310	↑ 0,14	↓ -0,52
USD/GBP	1,5694	↓ -0,06	↑ 0,79
USD/JPY	94,84	↑ 0,82	↓ -3,97
AUD/USD	0,9624	↑ 0,61	↑ 1,71
USD/CAD	1,0150	↓ -0,17	↓ -0,40

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	17,2	↑ 0,7	↑ 2,0
EMBI+ Spread	287	↑ 12	↑ 30
CDS 5Y PIIS	219	↓ -3	↑ 9
CDS 5Y Italy	216	↓ -5	↑ 2
CDS 5Y Belg.	38	↓ -1	↑ 1
iTraxx 5Y EU	109,1	↓ -3	↑ 5
US TED Spread	22,8	→ 0	↑ 0

Source: Reuters, OTP Research

- In Friday's buoyant trading in Europe, key indices added 0.2-0.4%.
- In the USA, the weaker-than-expected macroeconomic data caused stock markets to open lower. Given that the negative sentiment persisted until the end of session, major benchmarks lost more than 0.5%.
- The June reading of the University of Michigan's consumer sentiment index sank to 82.7 points, from 84.5.

Friday's session on Europe's key markets was more cheerful than the previous day's one. The London stock exchange's benchmark index edged up 0.3%, France's CAC40 added 0.2%, and the DAX in Frankfurt climbed 0.4% higher. Investors remain eager to see if there is any change to the Fed's monetary policy.

US indices started Friday's trading in the negative territory, chiefly owing to the weaker-than-expected macroeconomic data. The adverse sentiment lingered on until the end of trading, thus the key indices lost more than 0.5% over the week. Of the S&P's sector indices, only the utilities sub-index closed higher (+0.14%). Shedding 1.3% made the financials sub-index the weakest performer. The energy sub-index shed almost 1%, while the technology fell 0.7% in Friday's trading.

In this morning's optimistic Asian trading, the key indices close higher. The Nikkei added almost 2.4% as export-oriented companies' shares benefited from the yen's depreciation to the dollar. China's Shanghai Composite went 0.3% higher, and the Hang Seng CE advanced 1.2% earlier this morning.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,29	↑ 0	↓ -2
US 10Y	2,14	↓ -1	↓ -3
JP 2Y	0,13	↓ -1	↑ 0
JP 10Y	0,82	↓ -6	↓ -4
GER 2Y	0,14	↓ -4	↑ 0
GER 10Y	1,54	↓ -3	↑ 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	0,41	↓ 0	↓ -8
US 5Y Swap	1,20	↑ 1	↓ -11
EUR 3M Euribor	0,21	⇒ 0	↑ 1
EUR 2Y Swap	0,49	↑ 1	↓ -8
EUR 5Y Swap	1,04	↑ 2	↓ -8
GB 3M Libor	0,51	⇒ 0	⇒ 0
GB 2Y Swap	0,71	↑ 1	↓ 0
GB 5Y Swap	1,28	↑ 0	↑ 1
JP 3M Libor	0,15	⇒ 0	⇒ 0
JP 2Y Swap	0,25	↑ 1	↓ 0
JP 5Y Swap	0,48	↑ 0	↑ 1
CHF 3M Libor	0,02	⇒ 0	↑ 0
CHF 2Y Swap	0,12	↓ -1	↓ -3
CHF 5Y Swap	0,59	⇒ 0	↑ 4

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	105,5	↓ -0,39	↑ 1,51
Gold	1 389	↓ -0,08	↑ 0,19

Source: Reuters, OTP Research

In its regular annual review, the IMF revised its growth forecast for the United States: the Fund predicts 1.9% and 2.7% GDP expansion figures for 2013 and 2014 respectively, down from the earlier expectation of 3%. The higher taxes and curbing the federal budget's spending may exert stronger effect on households consumption in the coming quarters than earlier thought, the IMF explained. The slower-paced growth may impede the labour market's recovery.

In May, producer prices increased by 0.5%, more than the expected 0.1%, the US Department of Labor's data show. The index adjusted for energy and food prices showed 0.1% increase, matching expectations. Petrol, eggs, and light machinery prices have grown substantively. Since May 2013, producer prices have grown by 1.7% altogether; including 1.3% surge in energy prices, and 0.6% growth in food prices.

In May, industrial production stagnated (instead of the expected 0.1% rise) in the USA. According to the Fed's data, car manufacturing was an overachiever (production volume grew by 0.7%).

The most recent, June survey of the University of Michigan found that American investors became more pessimistic than in the previous month. The headline index's reading sank to 82.7 points, down from 84.5, as opposed to the expected 83 points. Despite the decline in June, consumer sentiment is favourable, as it lags only marginally behind the May reading, when the index was nearing its six-year high.

This week, the Fed will hold its policy meeting, an event closely watched by investors as a decision can be made about quantitative easing

	COUNTRY	DATE		FACT	CONSENSUS	PREVIOUS
Friday	US	Q1	Current Account (bn dollars)	-106,1	-109,7	-110,4
	US	May	PPI (mom, %)	0,5	0,1	-0,7
	US	May	PPI (yoy, %)	1,7	1,4	0,6
	US	May	Industrial production (mom, %)	0,0	0,2	-0,5
	US	Jun	University of Michigan Sentiment index (points)		84,5	84,5
	EZ	Q1	Employment (qoq, %)	-0,5	-	-0,3
	EZ	May	Inflation (mom, %)	0,1	0,1	-0,1
	EZ	May	Inflation (yoy, %)	1,4	1,4	1,4
Monday	EZ	Apr	Trade balance (bn EUR)		18,5	22,9
	US	Jun	New York Fed manufacturing index (point)		-0,5	-1,4

Source: Reuters, OTP Research

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