

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	14 910	↑ 1,02	↓ -1,34
S&P500	1 603	↑ 0,96	↓ -1,58
Nasdaq100	2 894	↑ 0,95	↓ -2,22
Russell2000	964	↑ 0,27	↓ -2,30
Stoxx600	285	↑ 1,73	↓ -2,67
DAX	7 941	↑ 1,66	↓ -3,12
FTSE 100	6 165	↑ 1,04	↓ -2,89
CAC40	3 726	↑ 2,09	↓ -2,95
ATX	2 228	↑ 1,71	↓ -6,45
IBEX35	7 823	↑ 2,83	↓ -3,40
Nikkei 225	13 214	↑ 2,96	↑ 1,53
Hang Seng	20 339	↑ 2,43	↓ -3,09
SSEC	1 951	↓ -0,41	↓ -8,96
SENSEX	18 552	↓ -0,41	↓ -3,60
RTS	1 261	↑ 1,44	↓ -2,37
Bovespa	47 172	↑ 0,59	↓ -1,51

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3025	↑ 0,11	↓ -1,46
EUR/CHF	1,2275	↑ 0,05	↑ 0,14
USD/GBP	1,5328	↑ 0,10	↓ -1,16
USD/JPY	98,08	↑ 0,37	↑ 0,83
AUD/USD	0,9299	↑ 0,25	↑ 1,12
USD/CAD	1,0436	↓ -0,30	↑ 0,46

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	17,2	↓ -1,3	↑ 0,6
EMBI+ Spread	287	↑ 12	↑ 30
CDS 5Y PIIS	243	↓ -3	↑ 22
CDS 5Y Italy	240	↓ -3	↑ 15
CDS 5Y Belg.	45	↓ -1	↑ 7
iTraxx 5Y EU	118,4	↓ -9	↑ 11
US TED Spread	21,6	↓ 0	↓ -1

Source: Reuters, OTP Research

- The upward correction on the world's stock markets continued; but the sentiment in Europe was more reserved this morning.
- In the third data release, the Q1 GDP growth was revised down in the USA.
- The EUR/USD made a brief visit below the 1.30 line, the cross is rising this morning.

Advanced markets extended their Tuesday's gains, with the major benchmarks advancing 1% or much more. The exception was the American index of low-cap stocks, Russell 2000; this could be a warning sign as to the continuation of the rally. But at this point, capital markets seem to be calming down after the panic sell-offs that started last Wednesday. Over the past two days, the S&P500 has worked off 40% of the preceding three or four days' losses, and EStoxx 50 has recovered 50%. The favourable mood benefited from the statistical office's downward revision of Q1 GDP growth in the USA, as this move made investors assume that after all, the QE3 may be phased out slower than it had been thought in the second part of last week.

In London, financial stocks headed upward, while mining companies slid. In Frankfurt, Deutsche Bank added 2.4%, SAP soared 4.4%, and Bayer surged 3.2%. In the USA, growing 2.2% made Boeing the winner of the day. Microsoft topped its gains by 2.1%.

The government bond market was likewise buoyant. Yields on ten-year Italian and Spanish bonds sank by about 20 basis points on Wednesday (to 4.7% and 4.8% respectively). In the USA, the yield on these instruments stood at 2.54%; its highest was at 2.66% on Monday.

With worries easing across the board, the dollar's further appreciation to the euro caused surprise: the EUR/USD sank below the 1.30 line for the first time since 4 June. But news on the downward revision of the Q1 GDP growth in the USA has pushed the cross somewhat higher and the greenback's weakening continued this morning. Asian markets climbed higher this morning, with the Nikkei225 adding almost 3%. But most of Western Europe's key benchmarks kicked off with losses.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,38	↓ -6	↑ 6
US 10Y	2,54	↓ -9	↑ 17
JP 2Y	0,15	↑ 1	↑ 2
JP 10Y	0,88	↓ -1	↑ 2
GER 2Y	0,25	↓ -1	↑ 7
GER 10Y	1,80	↑ 1	↑ 24

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	0,28	↓ 0	↑ 0
US 2Y Swap	0,50	↓ -2	↑ 1
US 5Y Swap	1,60	↑ 0	↑ 8
EUR 3M Euribor	0,22	↓ 0	↑ 1
EUR 2Y Swap	0,58	↓ -1	↓ -3
EUR 5Y Swap	1,25	↓ -1	↑ 1
GB 3M Libor	0,51	↓ 0	↑ 0
GB 2Y Swap	0,82	↓ -3	↑ 0
GB 5Y Swap	1,60	↓ -4	↑ 1
JP 3M Libor	0,16	↑ 0	↑ 0
JP 2Y Swap	0,26	↓ -3	↑ 0
JP 5Y Swap	0,49	↓ -4	↑ 1
CHF 3M Libor	0,02	→ 0	↑ 0
CHF 2Y Swap	0,20	↑ 1	↑ 2
CHF 5Y Swap	0,80	↑ 3	↑ 13

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	102,3	↑ 0,58	↑ 0,10
Gold	1 239	↑ 1,14	↓ -2,99

Source: Reuters, OTP Research

In the third data release, the Q1 GDP growth pace was revised from 2.4% to 1.8% (annualized QoQ figure; i.e. this change translates into a 0.15 pp quarter/quarter drop). The downward correction is justified by the slower growth in households' spending on services, and by the stronger-than-thought decline in non-property investments in the first quarter. The nearly 0.5% short-term GDP growth is still much better than the same gauge of the euro zone members, and some analysts cannot rule out that the downward revision can be linked to one-off effects whose correction may boost growth in the second quarter.

Plenty of macroeconomic data will be out today. In addition to the euro zone's consumer confidence index, a variety of statistics will be released in Japan. In the most important publication of the day, American households' May income and expenditure figures will come to light.

	COUNTRY	DATE		FACT	CONSENSUS	PREVIOUS
Wednesday	US	Q1	GDP (final, y-o-y, %)	1,8	2,4	2,4
	FR	Q1	GDP (detailed, q-o-q, %)	-0,2	-	-0,2
	DE	Jul	GfK Consumer sentiment (point)	6,8	6,5	6,5
Thursday	EZ	Jun	EC consumer confidence point (point)		-18,8	-21,9
	DE	Jun	Unemployment change (mom, ths)		8	21
	JP	May	CPI (yoy, %)		-	-0,7
	JP	May	Industrial output (preliminary, mom, %)		0,2	0,9
	JP	May	Retail sales (yoy, %)		0,0	-0,1
	US	May	Household consumption (mom, %)		-	0,1
	US	May	Household income (mom, %)		0,2	0,0
	US	May	PCE deflator (yoy, %)		-	0,7
	US	May	Pending home sales (mom, %)		1,0	0,3

Source: Reuters, OTP Research

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