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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	14 989	↑ 0,38	↑ 0,53
S&P500	1 615	↑ 0,08	↑ 0,76
Nasdaq100	2 941	↑ 0,40	↑ 1,64
Russell2000	991	↑ 0,17	↑ 2,83
Stoxx600	285	↓ -0,58	↑ 0,32
DAX	7 829	↓ -1,03	↓ -1,41
FTSE 100	6 230	↓ -1,17	↑ 1,04
CAC40	3 702	↓ -1,08	↓ -0,64
ATX	2 210	↓ -1,84	↓ -0,78
IBEX35	7 764	↓ -1,56	↓ -0,76
Nikkei 225	14 037	↓ -0,13	↑ 6,23
Hang Seng	20 147	↓ -2,48	↓ -0,94
SSEC	1 994	↓ -0,61	↑ 2,19
SENSEX	19 178	↓ -1,47	↑ 3,37
RTS	1 264	↓ -0,77	↑ 0,25
Bovespa	45 044	↓ -0,41	↓ -4,51

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,2997	↓ -0,07	↓ -0,29
EUR/CHF	1,2315	↑ 0,01	↓ -0,06
USD/GBP	1,5260	↓ -0,12	↑ 0,02
USD/JPY	99,89	↓ -0,01	↑ 1,58
AUD/USD	0,9112	↑ 0,31	↓ -1,70
USD/CAD	1,0508	↑ 0,08	↑ 0,31

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	16,2	↓ -0,2	↓ -1,0
EMBI+ Spread	287	↑ 12	↑ 30
CDS 5Y PIIS	260	↑ 26	↑ 17
CDS 5Y Italy	245	↑ 15	↑ 4
CDS 5Y Belg.	44	↑ 1	↓ -1
iTraxx 5Y EU	116,2	↑ 3	↓ -2
US TED Spread	23,3	→ 0	↑ 2

Source: Reuters, OTP Research

Summary

- Wednesday's sentiment on stock markets was rather negative, in part because of the news from Egypt and Portugal. All of Western Europe's and Asia's key indices closed in the red.
- In Wednesday's shortened trading, American stock markets could achieve gains. US markets are closed today for Independence Day.
- The ECB and the BoE are to make their rate decisions today. The market is eager to see whether ECB president Mario Draghi announces any change to the current policy.

In Egypt, where the army's ultimatum expired yesterday, military forces arrested the country's president and took over control until new democratic elections are held. The government crisis in Portugal keeps investors cautious. All of Western Europe's leading indices sank into the red yesterday: the DAX eased 1%, the FTSE100 dropped 1.2%, and the CAC40 shed 1.1%.

On account of today's Independence Day, American stock markets closed earlier on Wednesday, and will not open today. The Dow Jones upped 0.4%, the S&P500 edged 0.1% higher and the Nasdaq added 0.4%. Friday's publication of job market data remains the most important development of the week.

Today the ECB is to set rates. Speaking earlier, Mario Draghi said the central bank's policy would adjust to economic developments and the bank was ready to launch new tools if required. In his view, the conditions at the time of the latest rate decision did not justify it, but the market is eager to see if the bank's viewpoint has changed.

All of Asia's major stock markets closed lower this morning.

Yesterday the dollar's firming to the euro sent the EUR/USD to 1.29, before it returned to the 1.3 line. The cross stayed near this level this morning.

Yesterday the USD/JPY retreated below the 100 mark, and the yen slightly firmed this morning.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,35	→ 0	↓ -3
US 10Y	2,48	→ 0	↓ -6
JP 2Y	0,14	↓ 0	↓ -1
JP 10Y	0,88	↓ -2	↑ 0
GER 2Y	0,16	↓ -3	↓ -9
GER 10Y	1,68	↓ -4	↓ -13

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	0,53	↑ 1	↑ 4
US 5Y Swap	1,60	↑ 4	↑ 7
EUR 3M Euribor	0,22	↑ 0	→ 0
EUR 2Y Swap	0,59	↓ -1	↑ 2
EUR 5Y Swap	1,19	↑ 1	↓ -2
GB 3M Libor	0,51	↑ 0	↑ 0
GB 2Y Swap	0,85	→ 0	↓ -2
GB 5Y Swap	1,54	↑ 0	↑ 0
JP 3M Libor	0,16	→ 0	→ 0
JP 2Y Swap	0,25	→ 0	↓ -2
JP 5Y Swap	0,49	↑ 0	↑ 0
CHF 3M Libor	0,02	→ 0	→ 0
CHF 2Y Swap	0,14	↓ 0	↓ -6
CHF 5Y Swap	0,70	→ 0	↓ -7

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	105,6	↓ -0,20	↑ 2,66
Gold	1 254	↑ 0,23	↑ 4,52

Source: Reuters, OTP Research

The statistics released by ADP in the USA reveal that the number of employees grew by 188,000 in May, more than the forecast 160,000. This is an encouraging development, but only Friday's release of official data will provide a more reliable picture on labour market conditions, because most often than not, ADP underestimated the growth in employment in the previous months. The weekly statistics came in better than thought: both the initial and the continued jobless claims figures fell stronger than had been expected.

Wednesday morning's publication on services purchasing managers' indices in Europe fell short of expectations, but the reading of Germany's services sector has increased since the May gauge and is above the 50-point mark.

Markets do not expect the ECB or the BoE to make changes to the interest rates.

Wednesday	DE	Jun	Markit Services PMI (point)	50,4	51,3	49,7
	EZ	Jun	Markit Services PMI (point)	48,3	48,6	48,6
	EZ	Jun	Markit Composite PMI (point)	48,7	48,9	48,9
	EZ	May	Retail sales (m-o-m, %)	1,0	0,2	-0,5
	US	May	ADP Employment Report ('000)	188	160	135
	US	weekly	Initial jobless claims ('000)	343	345	346
	US	weekly	Continued jobless claims ('000)	2 933	2 953	2 965
Thursday	EZ	Jul	ECB deposit rate (%)		0,00	0,00
	EZ	Jul	ECB refinancing rate (%)		0,50	0,50
	GB	Jul	BOE bank rate (%)		0,50	0,50

Source: Reuters, OTP Research

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