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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	14 923	↓ -0,10	↑ 0,76
S&P500	1 655	↑ 0,01	↑ 1,36
Nasdaq100	3 133	↑ 0,11	↑ 1,94
Russell2000	1 030	↑ 0,08	↑ 1,84
Stoxx600	306	↑ 0,51	↑ 2,95
DAX	8 276	↑ 0,49	↑ 2,13
FTSE 100	6 547	↑ 0,63	↑ 2,10
CAC40	4 049	↑ 1,06	↑ 2,93
ATX	2 497	↓ -0,24	↑ 2,81
IBEX35	8 655	↑ 1,23	↑ 4,40
Nikkei 225	14 195	↑ 2,41	↑ 4,59
Hang Seng	22 621	↑ 0,10	↑ 4,09
SSEC	2 140	↑ 0,83	↑ 1,98
SENSEX	19 270	↑ 1,53	↑ 3,49
RTS	1 346	↑ 0,43	↑ 4,23
Bovespa	53 749	↑ 2,67	↑ 7,48

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3173	↓ -0,05	↓ -0,13
EUR/CHF	1,2362	↑ 0,02	↑ 0,29
USD/GBP	1,5644	↑ 0,10	↑ 0,64
USD/JPY	99,65	↑ 0,55	↑ 0,32
AUD/USD	0,9195	↑ 0,15	↑ 2,47
USD/CAD	1,0396	↓ -0,06	↓ -1,39

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	15,9	↑ 0,1	↓ -1,0
EMBI+ Spread	287	↓ -6	↓ -5
CDS 5Y PIIS	247	↑ 7	↑ 17
CDS 5Y Italy	204	↑ 0	↑ 7
CDS 5Y Belg.	37	↑ 0	↓ -1
iTraxx 5Y EU	105,2	↑ 0	↑ 1
US TED Spread	23,8	→ 0	↑ 1

Source: Reuters, OTP Research

Summary

- Europe's and the USA's key indices had a rather volatile Friday, with slight gains on both sides of the Atlantic.
- Asia's leading indices closed today's session with gains.
- Employment in the USA grew by merely 169,000 against the predicted 173,000-177,000; unemployment rate sank to a 4.5-year low.

European markets saw quite a volatile Friday. Most investors were in wait-and-see mood in the morning. The publication of worse-than-expected US labour market data sent benchmarks high (voices that the Fed may delay scaling back its assets purchase programme have re-intensified again). The cheerfulness on markets did not last long as the Russian president's words slashed the main indices by nearly 1%. Putin assured Syria of Russia's support in case of military action against the Middle Eastern country. Markets recovered in the final hours of the session, helping the key indices of Europe to moderate gains by the end of the week: the Footsie climbed 0.3% higher, the DAX added 0.45%, and the CAC40 upped by 1%.

Friday's trading on America's markets was likewise volatile. The benchmarks that made gains on the back of labour market data soon turned into the negative territory as the Russian president spoke. Later the sentiment in US trading calmed down, helping the major indices to moderate changes. The Dow inched down 0.1%, whereas the S&P edged 0.01% higher and the Nasdaq upped by 0.1%. Of the S&P sector indices, the cyclical consumer goods and the commodity sub-indices were both 0.12% down, marking the worst performance. The utilities sector index was the strongest one, gaining 0.7%. Of the Dow's components, advancing 1.4% made Hewlett-Packard the best-performing blue chip, while the weakest performance was DuPont's near-1% contraction.

The leader of Democratic party senators, Harry Reid submitted to the US Senate the resolution approving military action in Syria. Following a five-week holiday, representatives begin the autumn session on Monday, when the first item on their agenda is Syria. The voting on resolutions is due on Wednesday.

The Asian region's major indices closed higher this morning. Japan's stock indices rose by more than 2%, benefiting from the JPY's firming to the dollar as well as from the country's better-than-expected GDP figure. Chinese stock markets also fared well this morning: the Shanghai Composite soared 3.1%, and the Hang Seng CE added 1.9%. The Australian stock exchange also advanced (+0.7%) this morning, following the victory of Tony Abbott's liberal-national coalition at the weekend elections.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,47	↓ -5	↑ 47
US 10Y	2,94	↓ -5	↑ 294
JP 2Y	0,12	↓ 0	↓ 0
JP 10Y	0,79	↓ 0	↑ 6
GER 2Y	0,33	↑ 4	↑ 9
GER 10Y	2,05	↑ 8	↑ 19

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	0,26	↓ 0	↓ 0
US 2Y Swap	0,59	↓ 0	↑ 4
US 5Y Swap	1,89	↑ 0	↑ 10
EUR 3M Euribor	0,23	⇒ 0	↑ 0
EUR 2Y Swap	0,63	↑ 0	↑ 1
EUR 5Y Swap	1,43	↑ 1	↑ 5
GB 3M Libor	0,52	↓ 0	↑ 0
GB 2Y Swap	0,89	↓ -2	↓ -1
GB 5Y Swap	1,90	↓ -2	↓ -1
JP 3M Libor	0,15	⇒ 0	⇒ 0
JP 2Y Swap	0,25	↑ 0	↓ -1
JP 5Y Swap	0,42	↓ -2	↓ -1
CHF 3M Libor	0,02	⇒ 0	⇒ 0
CHF 2Y Swap	0,19	↓ 0	↑ 2
CHF 5Y Swap	0,80	↓ 0	↑ 3

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	116,0	↓ -0,15	↑ 1,42
Gold	1 389	↓ -0,17	↓ -0,41

Source: Reuters, OTP Research

The August reading of labour market data was disappointing: instead of the expected 173,000-177,000 increase, only 169,000 new jobs were added in the United States. In even worse news, the Department of Labour revised the June and July gauges down, by 74,000. The detailed breakdown reveals that employment grew by 33,000 in healthcare, by 44,000 in retail, and by a total of 56,000 in services. A number of sectors, including construction, the financial and the government sectors, practically stagnated. Despite the unfavourable employment trends, unemployment rate sank further as thousands of discouraged workers have left the labour market. The 7.3% unemployment rate in August marks a 4.5-year low.

Japan's gross domestic product grew by 0.9% in the second quarter, stronger than the earlier forecast 0.6%

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	CH	Aug	CPI (yoy, %)	0,0	-	0,0
	DE	Jul	Industrial production (mom, %)	-1,7	-0,5	2,4
	US	Aug	Non-farm payrolls (monthly change, ths)	169	180	162
	US	Aug	Unemployment rate (%)	7,3	7,4	7,4
Monday	JP	Q2	GDP (revised, qoq annualised)	3,8	3,7	2,6
	CH	Aug	Unemployment rate (%)		3,2	3,2
	CH	Jul	Retail sales (yoy, %)		-	2,3

Source: Reuters, OTP Research

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