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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	15 376	↑ 0,49	↑ 3,04
S&P500	1 688	↑ 0,27	↑ 1,98
Nasdaq100	3 178	↑ 0,09	↑ 1,43
Russell2000	1 054	↑ 0,52	↑ 2,37
Stoxx600	311	↑ 0,23	↑ 1,75
DAX	8 509	↑ 0,18	↑ 2,82
FTSE 100	6 584	↓ -0,08	↑ 0,56
CAC40	4 115	↑ 0,19	↑ 1,61
ATX	2 486	↓ -0,88	↓ -0,43
IBEX35	8 942	↑ 0,19	↑ 3,31
Nikkei 225	0	↓ -100,00	↓ -100,00
Hang Seng	22 915	↓ -0,17	↑ 1,30
SSEC	2 236	↓ -0,86	↑ 4,50
SENSEX	19 733	↓ -0,25	↑ 2,40
RTS	1 397	↓ -0,35	↑ 3,79
Bovespa	53 798	↑ 0,92	↑ 0,09

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3355	↑ 0,47	↑ 0,76
EUR/CHF	1,2352	↓ -0,07	↓ -0,05
USD/GBP	1,5949	↑ 0,48	↑ 1,64
USD/JPY	98,92	↓ -0,42	↓ -0,65
AUD/USD	0,9325	↑ 0,90	↑ 1,07
USD/CAD	1,0299	↓ -0,49	↓ -0,68

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	14,2	↓ -0,1	↓ -1,7
EMBI+ Spread	287	↓ -6	↓ -5
CDS 5Y PIIS	253	↑ 10	↑ 11
CDS 5Y Italy	210	↑ 9	↑ 8
CDS 5Y Belg.	35	↓ -1	↓ -2
iTraxx 5Y EU	97,6	↑ 1	↓ -8
US TED Spread	23,4	→ 0	↓ 0

Source: Reuters, OTP Research

Summary

- On both sides of the Atlantic, markets were moderately optimistic in Friday's session; benchmarks closed with modest gains.
- Lawrence Summers, hitherto seen as President Obama's preferred man, has quit the race for the position of the Fed's chairman.
- The September reading of the University of Michigan consumer confidence index sank five points since August, signaling considerable deterioration in US consumers' sentiment.

In the first part of Friday's trading, Europe was looking for a direction, and the key indices hovered around Thursday's closing values. The afternoon's release of worse-than-expected US macroeconomic statistics set markets on a rollercoaster. Markets expect that the Fed's meeting this Wednesday will reduce the size of the current asset purchase programme of USD 85 billion per month, only the magnitude of tapering is not known. The Footsie closed 0.1% in the red while the DAX and the CAC40 both upped 0.2%.

In the USA, the leading indices opened higher, and the buoyancy persisted until the end of the session. The Nasdaq inched up almost 0.1%, the S&P climbed 0.3% higher, and the Dow picked up 0.5% on the last trading day of the week. Of the S&P sector indices, the non-cyclical consumer goods sub-index was the best performer, rising 1%. Edging down 0.04% made energy the weakest sector index on Friday. Of the Dow's components, the chip manufacturer Intel's performance stood out: the technology company's stocks soared 3.6% after Jefferies improved the recommendation from Hold to Buy. The weakest blue chip in the index was Alcoa, declining almost 1%.

In a sudden twist in the race for the Fed chairman position, Lawrence Summers, thus far seen as President Obama's preferred man, asked the US president to withdraw his name from the shortlist of candidates because the Senate's dividedness over his nomination would do harm to the United States. President Obama accepted Summers' decision. The news has weakened the US dollar, while forward indices jumped higher.

Reports on Summers' withdrawal sent the leading indices of Asia rallying in this morning's trading. Firming more than 1.5% made the Hang Seng, the index of Chinese stocks, the strongest one.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,45	→ 0	↓ -7
US 10Y	2,91	↓ -1	↓ -8
JP 2Y	0,12	↑ 0	↑ 0
JP 10Y	0,73	↓ -1	↓ -6
GER 2Y	0,25	↓ -2	↓ -5
GER 10Y	1,96	↓ -7	↓ -1

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	0,25	↓ 0	↓ 0
US 2Y Swap	0,57	↓ 0	↑ 0
US 5Y Swap	1,83	↓ 0	↓ -1
EUR 3M Euribor	0,22	↓ 0	↓ 0
EUR 2Y Swap	0,58	↓ -3	↓ -6
EUR 5Y Swap	1,37	↓ -1	↓ -6
GB 3M Libor	0,52	→ 0	↑ 0
GB 2Y Swap	0,00	↓ -88	↓ -1
GB 5Y Swap	1,86	→ 0	↓ -2
JP 3M Libor	0,15	→ 0	→ 0
JP 2Y Swap	0,25	→ 0	↓ -1
JP 5Y Swap	0,41	→ 0	↓ -2
CHF 3M Libor	0,02	→ 0	↑ 0
CHF 2Y Swap	0,19	↑ 1	↓ -1
CHF 5Y Swap	0,80	↓ -2	↓ -1

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	110,6	↓ -1,92	↓ -2,73
Gold	1 327	↑ 0,03	↓ -4,29

Source: Reuters, OTP Research

Retail sales rose by 0.2% in the USA in August, up from the previous month's 0.4% increase. In the last months of the summer, the retail turnover of cars, electronics & appliances, as well as furniture & furnishings has risen. The June and the July data were revised upwards, to 0.7% (from 0.6%), and to 0.4% (from 0.2%) respectively.

According to the University of Michigan's survey, consumer sentiment deteriorated in September in the USA. The preliminary reading of the consumer sentiment index came in at 76.8 points, down from 82.1 in August. The consumer sentiment was most probably dented by the tension relating to Syria. All components of the sentiment index showed worsening: the assessment of the current conditions sank to 91.8 points, from 95.2 in August. The future expectations sub-index slid to 67.2 points, from 73.7 in the previous month. The results gauging inflation expectations indicate that 3.2% of respondents expect higher prices over the next year, in 0.2 percentage-point rise in comparison with the previous month.

Exciting days are ahead of us, with a string of important macroeconomic data coming out this week. The United States will release industrial output statistics, and the New York Fed manufacturing index are also due out today. Tomorrow Germany's Zew economic sentiment index will see the light of day. Later this week, statistics on US real property market will be published. The most important event of the day will certainly be the Fed's Wednesday meeting, which is expected to bring update on the future of the Fed's asset purchase programme.

	COUNTRY	DATE	FACT	CONSENSUS	PREVIOUS	
Friday	US	Apr	Producer prices (mom, %)	0,3	0,2	0,0
	US	Aug	Retail sales (mom, %)	0,2	0,4	0,2
	US	Sep	University Michigan sentiment index (point)	76,8	82,0	82,1
Monday	EZ	Aug	Inflation (final, mom, %)		0,1	-0,5
	EZ	Aug	Inflation (final, yoy, %)		1,3	1,3
	US	Sep	New York Fed manufacturing index (point)		9,20	8,24
	US	Aug	Industrial output (mom, %)		0,4	0,0

Source: Reuters, OTP Research

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