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# Daily Report – Global markets

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	15 130	↓ -0,84	↓ -1,76
S&P500	1 682	↓ -0,60	↓ -1,19
Nasdaq100	3 218	↓ -0,37	↓ -0,04
Russell2000	1 074	↓ -0,04	↑ 0,15
Stoxx600	310	↓ -0,55	↓ -0,69
DAX	8 594	↓ -0,77	↓ -0,47
FTSE 100	6 462	↓ -0,77	↓ -1,45
CAC40	4 143	↓ -1,03	↓ -0,69
ATX	2 528	↓ -0,80	↑ 1,53
IBEX35	9 186	↓ -0,46	↑ 0,84
Nikkei 225	14 456	↓ -2,06	↓ -1,88
Hang Seng	22 860	↓ -1,50	↓ -2,19
SSEC	2 175	↑ 0,68	↓ -2,09
SENSEX	19 380	↓ -1,76	↓ -2,62
RTS	1 422	↓ -0,72	↓ -1,99
Bovespa	52 338	↓ -2,61	↓ -4,15

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3545	↑ 0,16	↑ 0,54
EUR/CHF	1,2221	↓ -0,16	↓ -0,63
USD/GBP	1,6184	↑ 0,30	↑ 1,14
USD/JPY	98,12	↓ -0,09	↓ -0,60
AUD/USD	0,9391	↑ 0,85	↓ -0,01
USD/CAD	1,0312	↑ 0,04	↑ 0,12

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	16,6	↑ 1,1	↑ 2,3
EMBI+ Spread	287	↓ -6	↓ -5
CDS 5Y PIIS	239	↑ 2	↓ -3
CDS 5Y Italy	222	↑ 11	↑ 20
CDS 5Y Belg.	36	↑ 1	↑ 2
iTraxx 5Y EU	101,9	↑ 3	↑ 3
US TED Spread	22,8	→ 0	↑ 0

Source: Reuters, OTP Research

**Summary**

- A number of factors pushed advanced stock market indices down across the board on Monday.
- The US legislation failed to agree on raising the debt ceiling, bringing to an end the dispensable public services, including the publication of macroeconomic data, for an undetermined period of time. Market reaction has been predominantly positive, the EUR/USD hit highs unseen since early February.

The political crisis in Italy and to a greater extent, the US legislation's tug of war around raising the debt ceiling brought about cautiousness on the world's capital markets, driving European indices about 1% lower, and sinking American indices into the red. The most important benchmark of the Milan stock exchange fell to three-month low, as five ministers announced their resignation plans on Saturday, undermining the current coalition's ability to govern. On top of that, personnel changes at Intesa Sanpaolo dragged down the banking shares, and thus the index.

The sentiment did not exactly benefit from the fact that, in the final data release, HSBC slashed the September value of Chinese PMI to the dividing line between growth and fall. Today's official publication also indicates a decline.

As US legislation failed to reach agreement on raising the debt ceiling, the White House ordered this morning that 700,000 civil servants are sent on unpaid leave. As a result, the publication of macroeconomic data will be delayed, which may add to market volatility through intensifying uncertainty. The other setup is that in the absence of US labour market data publications, the Fed will certainly not tighten liquidity conditions, possibly in a welcome development for markets. At this point, the latter seems more relevant; there were no signs of panic in this morning's Asian trading, the dollar is steeply falling, and European markets' opening was clearly optimistic – the DAX kicked off with 0.5% rise.

**GOV'T BOND MARKET**

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,32	↑	0	↓	-1
US 10Y	2,62	↑	2	↓	-9
JP 2Y	0,11	↑	1	↑	1
JP 10Y	0,69	↑	0	↓	-1
GER 2Y	0,16	↓	-4	↓	-5
GER 10Y	1,76	↓	-7	↓	-18

**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	0,45	↑	0	↓	-1
US 5Y Swap	1,54	↑	2	↓	-2
EUR 3M Euribor	0,23	↑	0	↑	0
EUR 2Y Swap	0,54	↑	0	↓	-1
EUR 5Y Swap	1,21	↓	-1	↓	-3
GB 3M Libor	0,52	→	0	→	0
GB 2Y Swap	0,83	→	0	↓	-1
GB 5Y Swap	1,71	↓	-1	↓	-1
JP 3M Libor	0,15	↑	0	↑	0
JP 2Y Swap	0,23	↓	0	↓	-1
JP 5Y Swap	0,38	↓	-1	↓	-1
CHF 3M Libor	0,02	→	0	↑	0
CHF 2Y Swap	0,14	↑	1	↓	-2
CHF 5Y Swap	0,66	↑	1	↓	-4

**COMMODITIES**

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	107,7	↓	-0,63	↓	-0,87
Gold	1 328	↑	0,12	↑	0,45

Source: Reuters, OTP Research

Germany's retail sales in August grew by less than had been expected, but the previous monthly indices were revised higher. The eurozone's inflation continued to drop which, ahead of Thursday's rate decision, may fuel expectations that today the ECB will announce further liquidity tenders. All in all, this is not very likely to happen.

In today's important releases, labour market data on the eurozone and Germany will see the light of day. In addition, a string of US macroeconomic data are due for publication, but the shutdown of the statistical service makes such publications uncertain.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	CN	Sep	HSBC Manufacturing PMI (point)	50,2	-	51,2
	DE	Aug	Retail sales (mom, %)	0,5	0,8	-0,2
	DE	Aug	Retail sales (yoy, %)	0,3	0	3
	EZ	Sep	Inflation (flash, yoy, %)	1,1	1,2	1,3
	US	Sep	Chicago PMI (point)	55,7	54,0	53,0
Tuesday	CN	Sep	NBS manufacturing PMI (point)	51,1	51,5	51,0
	EZ	Aug	Unemployment rate (%)		12,1	12,1
	DE	Sep	Unemployment rate (%)		6,8	6,8
	US	Sep	Total vehicle sales (ann, mn)		15,8	16,0
	US	Aug	Constructin spending (mom, %)		0,4	0,6
	US	Sep	ISM manufacturing (point)		55,0	55,7

Source: Reuters, OTP Research

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