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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	15 073	↑ 0,51	↓ -1,22
S&P500	1 691	↑ 0,71	↓ -0,07
Nasdaq100	3 243	↑ 0,89	↑ 0,38
Russell2000	1 078	↑ 0,69	↑ 0,38
Stoxx600	310	↑ 0,11	↓ -0,73
DAX	8 623	↑ 0,29	↓ -0,44
FTSE 100	6 454	↑ 0,08	↓ -0,90
CAC40	4 164	↑ 0,88	↓ -0,54
ATX	2 528	↓ -0,54	↓ -0,82
IBEX35	9 421	↑ 1,35	↑ 2,09
Nikkei 225	14 024	↓ -0,94	↓ -2,98
Hang Seng	23 139	↓ -0,33	↓ -0,30
SSEC	2 175	↑ 0,00	↑ 0,68
SENSEX	19 916	↑ 0,07	↑ 0,96
RTS	1 443	↑ 1,07	↑ 0,72
Bovespa	52 849	↑ 0,68	↓ -1,66

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3573	↑ 0,12	↑ 0,36
EUR/CHF	1,2269	↓ -0,21	↑ 0,24
USD/GBP	1,6008	↓ -0,90	↓ -1,09
USD/JPY	97,06	↓ -0,41	↓ -1,17
AUD/USD	0,9422	↓ -0,10	↑ 1,18
USD/CAD	1,0303	↑ 0,09	↓ -0,05

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	16,7	↓ -0,9	↑ 1,3
EMBI+ Spread	287	↓ -6	↓ -5
CDS 5Y PIIS	211	↓ -16	↓ -25
CDS 5Y Italy	195	↓ -10	↓ -16
CDS 5Y Belg.	34	↓ 0	↓ -2
iTraxx 5Y EU	97,1	↓ -1	↓ -1
US TED Spread	21,5	→ 0	↓ -1

Source: Reuters, OTP Research

Summary

- European markets ebbed and flowed on Friday's session; the key indices gained 0.1-0.9%.
- In Friday's positive sentiment, all American benchmarks closed in the positive territory.
- No agreement was reached about raising the US debt ceiling during the weekend.

The lack of agreement about America's budget and its debt ceiling remained the top market-moving factor on Friday. By 17 October, US decision-makers should reach agreement to raise the debt ceiling – this is how long the USA's reserves can stretch to finance public debt. What may be worrisome is that the failure of negotiations may result in downgrading the USA. This may lead to panic, as did the previous action.

Europe's major indices ebbed and flowed in Friday's trading. By the end of the session, benchmarks managed to creep into the positive territory: the FTSE in London inched 0.1% higher, Germany's DAX gained 0.3%, whereas France's CAC40 added 0.9%.

US indices opened with gains on the last trading day of the week, and the optimism lasted until the close. Throughout Friday's US trading, investors hoped that agreement may be reached in the debate about lifting the debt ceiling, but it has not happened. Ultimately, the Dow rose by 0.5%, the S&P went up 0.7%, and the Nasdaq advanced 0.9%. All of the S&P's sector indices left the floor with gains. The commodities sub-index 1.5% increase marked the best performance. Healthcare grew by more than 1% (+1.1%) and so did the energy sub-index (+1%).

Asia's major indices closed this morning's session with losses. The unfavourable sentiment was chiefly attributable to the lack of agreement to raise the debt ceiling in the USA. Japan's stock indices led the fall this morning: the Nikkei slumped 1.2% and the TOPIX plunged 1.3%. China's stock markets remained closed, while the Australian stock market fell 0.8%.

The pessimistic sentiment in Asia left its mark on European markets' opening this morning, and the key benchmarks opened with losses today.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,33	↑	1	↑	0
US 10Y	2,63	↑	2	↑	4
JP 2Y	0,10	↑	0	↓	0
JP 10Y	0,66	↑	1	↓	-3
GER 2Y	0,17	↑	0	↓	-3
GER 10Y	1,81	→	0	↓	-2

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	0,24	→	0	↓	-1
US 2Y Swap	0,44	→	0	↓	-1
US 5Y Swap	1,52	↓	-3	↓	-1
EUR 3M Euribor	0,23	↑	0	↑	0
EUR 2Y Swap	0,57	↓	-1	↑	3
EUR 5Y Swap	1,29	↑	4	↑	8
GB 3M Libor	0,52	→	0	→	0
GB 2Y Swap	0,00	↓	-85	↓	-1
GB 5Y Swap	1,78	↓	-1	↓	-2
JP 3M Libor	0,15	↓	0	↓	0
JP 2Y Swap	0,22	↓	-1	↓	-1
JP 5Y Swap	0,37	↓	-1	↓	-2
CHF 3M Libor	0,02	↓	0	↑	0
CHF 2Y Swap	0,13	↑	0	→	0
CHF 5Y Swap	0,68	↑	0	↑	2

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	109,1	↓	-0,35	↑	0,66
Gold	1 315	↑	0,31	↓	-0,91

Source: Reuters, OTP Research

The head of the Dallas Fed, Richard Fisher said on Friday that in the light of the immeasurable global risks, he could not rule out a US default. He also gave account of the rift in the Fed's decision-making body in its September meeting, in whether to start scaling back its asset purchases. Fisher, currently a non-voting member of the FOMC, argued for tapering the USD-85-billion-a-month stimulus, in the most recent meeting.

With the US federal administration shut down, the usual monthly labour market statistics were not released on Friday.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	DE	Aug	Producer prices (mom, %)	-0,10	0,1	0,1
	EZ	Aug	Producer prices (mom, %)	0,0	0,1	0,3
Monday			No data			

Source: Reuters, OTP Research

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