

Headquarter Treasury Sales

Head of Sales

Marius George Ionescu

+40755 000 437

marius.ionescu@otpbank.ro

Alina Elena Vrabioiu

+4021 307 58 17

alina.vrabioiu@otpbank.ro

Tania Fantana

+4021 307 58 17

tania.fantana@otpbank.ro

Alexandru Tibuleac

+4021 307 58 17

alexandru.tibuleac@otpbank.ro

Regional Treasury Sales

Cezar Trandafirescu - Iasi

+40755 000 246

cezar.trandafirescu@otpbank.ro

Szilamer Kozma – Cluj

+40755 000 400

szilamer.kozma@otpbank.ro

Valentin Cioraneanu – Brasov

+40755 000 464

valentin.cioraneanu@otpbank.ro

Radu Oprea – Bucharest

+40755 000 474

radu.oprea@otpbank.ro



Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 097	→ 0,00	↑ 0,55
S&P500	1 807	→ 0,00	↑ 0,63
Nasdaq100	3 470	→ 0,00	↑ 1,99
Russell2000	1 141	→ 0,00	↑ 1,94
Stoxx600	325	↑ 0,35	↑ 0,86
DAX	9 387	↑ 0,39	↑ 2,08
FTSE 100	6 654	↑ 0,08	↓ -0,52
CAC40	4 302	↑ 0,22	↑ 1,14
ATX	2 653	↓ -0,15	↑ 0,88
IBEX35	9 860	↑ 0,52	↑ 2,71
Nikkei 225	15 662	↓ -0,41	↑ 1,82
Hang Seng	23 858	↑ 0,29	↑ 0,68
SSEC	2 220	↑ 0,01	↑ 1,06
SENSEX	20 794	↑ 1,26	↑ 2,85
RTS	1 407	↑ 0,16	↓ -1,36
Bovespa	51 847	↓ -0,03	↓ -1,60

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3609	↑ 0,04	↑ 0,38
EUR/CHF	1,2321	↑ 0,02	↑ 0,25
USD/GBP	1,6340	↑ 0,33	↑ 0,72
USD/JPY	102,20	↓ -0,09	↑ 0,92
AUD/USD	0,9088	↓ -0,09	↓ -0,85
USD/CAD	1,0596	↑ 0,17	↑ 0,79

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,0	↑ 0,2	↓ -0,4
EMBI+ Spread	287	↓ -6	↓ -5
CDS 5Y PIIS	166	↑ 0	↓ -11
CDS 5Y Italy	148	↑ 1	↓ -13
CDS 5Y Belg.	28	↓ 0	↑ 3
iTraxx 5Y EU	77,1	↑ 0	↓ -5
US TED Spread	17,3	→ 0	↑ 1

Source: Reuters, OTP Research

Summary

- US markets were closed for Thanksgiving yesterday, while Europe's Stoxx600 hit levels last seen in 2008.
- Concerned about a possible real estate bubble, the Bank of England scaled back its mortgage incentive programme.
- S&P has downgraded Netherlands.

Stock markets were closed for Thanksgiving in the USA, but they continued their winning streak in Europe. The Stoxx Europe 600 index closed 0.4% higher, fuelled by mining companies' gains. Rio Tinto advanced 3.9% after announcing to spend USD 3 billion less on expanding its iron ore production capacities. Sweden's Boliden rallied 4.8% after Morgan Stanley raised its rating for the copper and zinc mining company's shares to Overweight, up from Equal weight. Crude oil producers (+2.1%) were followed by banks among the winners of the European stock markets, the Stoxx600's sector index rose by 0.9% yesterday. The FTSE, the CAC40 and the DAX saw modest gains, but hit a record high. Deutsche Bank expects the DAX to continue its winning streak in 2014, climbing to as high as 9,800; analysts do not rule out even hitting the 10,000 mark. The FTSE inched up a mere 0.1%, probably impaired by Britain's plunging construction companies, owing to the Bank of England's announcement to downsize its mortgage lending programme.

Stripping the Netherland of its AAA rating, S&P has downgraded the country's debt rating by one notch, to AA+, citing its unfavourable growth prospects. The rating agency expects real economy's output to reach pre-crisis (2008) levels by 2017. According to the European Commission's most recent forecast, the 1.2% recession may be followed by an additional 1% drop in the Netherlands, before its economy returns to the path of growth. S&P's view on Spain has become more optimistic than before, upgrading the long-term debt rating outlook to stable, from negative.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,29	↑	0	↑	2
US 10Y	2,75	↑	3	↓	-4
JP 2Y	0,09	↓	-1	↓	-1
JP 10Y	0,60	↓	-1	↓	-4
GER 2Y	0,13	↑	0	↑	2
GER 10Y	1,71	↑	1	↓	-6

CENTRAL BANKS' RATES

	Rate (%)		6M Consensus		1Y Consensus
Fed Funds	0,25	→	0,25	→	0,25
ECB Rate	0,25	→	0,25	→	0,25
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	↑	0
US 2Y Swap	0,36	↑	1	↑	1
US 5Y Swap	1,44	↑	0	↑	2
EUR 3M Euribor	0,23	↑	0	↑	2
EUR 2Y Swap	0,42	↑	0	↓	-3
EUR 5Y Swap	1,04	↓	-1	↓	-3
GB 3M Libor	0,52	↑	0	↑	0
GB 2Y Swap	0,81	↑	1	→	0
GB 5Y Swap	1,73	↑	0	↓	-2
JP 3M Libor	0,14	↑	0	↑	0
JP 2Y Swap	0,19	↑	1	→	0
JP 5Y Swap	0,31	↑	0	↓	-2
CHF 3M Libor	0,02	→	0	→	0
CHF 2Y Swap	0,06	↓	-2	↓	-1
CHF 5Y Swap	0,53	↓	-1	↓	-3

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	110,9	↑	0,02	↓	-0,15
Gold	1 241	↓	-0,20	↓	-0,15

Source: Reuters, OTP Research

Taking analysts by surprise, Germany's preliminary November inflation accelerated to 1.6% year/year, as opposed to the expected 1.2%. The November inflation data for the whole of the eurozone is due out today – if the figures come in as unfavourable as Germany's data, that could undermine the expectations of further rate cuts by central banks.

The United Kingdom and Japan release important housing market statistics today.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	CH	Q3	GDP (qoq, %)	0,5	0,4	0,5
	EU	Nov	EU-summit, Vilnius			
	DE	Nov	Consumer prices (preliminary, yoy, %)	1,6	1	1
Friday	EZ	Nov	Consumer prices (preliminary, yoy, %)		0,8	0,7
	DE	Oct	Retail sales (yoy, %)	-0,2	1,3	0,3
	JP	Oct	Housing starts (yoy, %)	7,1	4,3	19,4
	UK	Nov	Nationwide house price (yoy, %)		6,0	5,8
	UK	Nov	Mortgage approvals ('000)		68,7	66,7

Source: Reuters, OTP Research

Chief Economist
Gergely Tardos
tardosg@otpbank.hu
+36 1 374 7273

FX/FI Strategist
Levente Pápa
papal@otpbank.hu
+36 1 354 7490

Fundamental Analyst
Orsolya Rátkai
ratkaio@otpbank.hu
+36 1 374 7270

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