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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 463	↓ -0,41	↓ -0,69
S&P500	1 837	↓ -0,02	↓ -0,59
Nasdaq100	3 568	↑ 0,27	↑ 0,11
Russell2000	1 157	↓ -0,01	↑ 0,59
Stoxx600	330	↑ 0,11	↑ 0,45
DAX	9 498	↓ -0,09	↓ -0,57
FTSE 100	6 722	↓ -0,50	↓ -0,40
CAC40	4 261	↓ -0,04	↓ -0,81
ATX	2 669	↑ 1,49	↑ 4,82
IBEX35	10 254	↑ 0,74	↑ 3,40
Nikkei 225	15 880	↓ -1,50	↓ -2,52
Hang Seng	22 874	↓ -0,53	↓ -2,00
SSEC	2 029	↓ -0,74	↓ -3,80
SENSEX	20 680	↓ -0,24	↓ -1,00
RTS	1 390	↑ 0,15	↓ -3,63
Bovespa	50 577	↑ 0,29	↓ -1,81

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3592	↑ 0,13	↓ -0,57
EUR/CHF	1,2378	↑ 0,06	↑ 0,72
USD/GBP	1,6447	↑ 0,28	↓ -0,02
USD/JPY	104,88	↑ 0,05	↑ 0,11
AUD/USD	0,8874	↓ -0,30	↓ -0,35
USD/CAD	1,0831	↑ 0,12	↑ 1,53

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,9	↓ -0,1	↓ -0,9
EMBI+ Spread	287	↓ -6	↓ -5
CDS 5Y PIIS	142	↓ -10	↓ -26
CDS 5Y Italy	124	↓ -2	↓ -19
CDS 5Y Belg.	25	↓ -1	↓ -3
iTraxx 5Y EU	69,0	↓ -1	↓ -2
US TED Spread	20,0	→ 0	↑ 2

Source: Reuters, OTP Research

Summary

- Western European and American markets saw undecided investors on Wednesday.
- Alcoa is to publish its Q4 earnings report before US markets open today.
- The US private sector created 238,000 new jobs in December 2013, ADP's survey shows.

The leading markets of Western Europe and the USA saw indecisive investors on Wednesday, when indices failed to erase the initial losses. The London stock exchange's index closed 0.5% down, while the French and German benchmarks stayed flat. It was probably the eurozone's poor unemployment statistics that disheartened investors.

US indices opened yesterday's trading in the red; investors' mood did not improve considerably, so American benchmarks closed mixed. The Dow dipped 0.4%, the S&P stagnated, while the Nasdaq achieved modest gain. Of the S&P's sector indices, healthcare was the strongest sub-sector with 0.8% growth, and backsliding 0.7% made the non-cyclical consumer goods sector the weakest one.

Alcoa is to publish its fourth-quarter earnings report ahead of US market hours today. The steel giant's quarterly figures are closely watched by market players because traditionally investors view its performance as an indicator for the whole of the economy. Analysts expect the company to give account of a significant profit growth since the previous quarter.

Asian markets closed this morning's session with losses, which can be put down to the indecision on Western markets, and to China's lower-than-expected inflation data. The Shanghai Composite dropped by 0.8%, the Hang Seng CE lost 1.8%, Japan's Nikkei fell 1.5%, and the TOPIX shed 0.7%.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,42	↑	3	↑	3
US 10Y	2,99	↑	4	↓	-5
JP 2Y	0,10	↑	0	↑	10
JP 10Y	0,71	↑	2	↑	71
GER 2Y	0,23	↑	2	↑	23
GER 10Y	1,89	↓	-1	↑	189

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	↓	-1
US 2Y Swap	0,53	↑	1	↑	6
US 5Y Swap	1,79	↓	0	↑	5
EUR 3M Euribor	0,28	↑	0	↓	-1
EUR 2Y Swap	0,55	↑	0	↑	2
EUR 5Y Swap	1,26	↑	4	↑	0
GB 3M Libor	0,52	⇒	0	↓	0
GB 2Y Swap	0,98	⇒	0	↓	-1
GB 5Y Swap	2,06	↓	-1	↓	-2
JP 3M Libor	0,15	⇒	0	↓	0
JP 2Y Swap	0,20	↓	-1	↓	-1
JP 5Y Swap	0,36	↓	-1	↓	-2
CHF 3M Libor	0,02	⇒	0	⇒	0
CHF 2Y Swap	0,12	↑	0	↓	-1
CHF 5Y Swap	0,66	↑	0	↓	-6

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	107,5	↑	0,35	↓	-0,24
Gold	1 227	↑	0,11	↑	0,21

Source: Reuters, OTP Research

The minutes of the Fed Open Market Committee's most recent rate-setting meeting came out last night. In the December meeting, Fed officials agreed that tapering the asset purchase programme was rational. The longer asset purchases last the less the programme yields, the majority of participants pointed out. According to the minutes, Fed officials became more optimistic in December about economic outlook and were planning to carry out the tapering in a moderate and circumspect way.

In the USA, the private sector added 238,000 new jobs in December, ADP reported. Analysts had expected 203,000 growth. The last time when such favourable data were released was in November 2012. The detailed breakdown reveals that the job creation capacity of manufacturing and big companies is relatively weak. While small companies created 108,000 new jobs in a single month, medium-sized businesses hired 59,000 new workers, and big corporations increased their staff by 71,000.

China's consumer price index for December was published this morning: the 12-month CPI inflation gauged 2.5% increase in the last month of 2013.

The ECB and the Bank of England hold their first rate-setting meeting of 2014 today.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	DE	Nov	Industrial orders (m-o-m, %)	2,1	1,5	-2,2
	US	Dec	ADP Employment Report ('000)	238	-	215,0
Thursday	CN	Dec	CPI (mom, %)	0,3	2,7	3,0
	DE	Nov	Industrial output (mom, %)		1,5	-1,2
	GB		BoE Rate decision (%)		0,5	0,5
	EZ		ECB Rate decision (%)		0,25	0,25
	US	weekly	Initial jobless claims ('000)		335	339
	US	weekly	Continued jobless claims		2 840	2 833

Source: Reuters, OTP Research

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