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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 417	↓ -0,39	↓ -0,17
S&P500	1 846	↓ -0,13	↑ 0,42
Nasdaq100	3 611	↑ 0,04	↑ 1,30
Russell2000	1 173	↑ 0,15	↑ 0,74
Stoxx600	334	↓ -0,16	↑ 1,70
DAX	9 718	↓ -0,17	↑ 3,14
FTSE 100	6 815	↓ -0,07	↑ 1,85
CAC40	4 319	↓ -0,30	↑ 2,23
ATX	2 713	↓ -0,59	↑ 1,49
IBEX35	10 456	↓ -0,66	↑ 2,16
Nikkei 225	15 734	↓ -0,08	↓ -1,12
Hang Seng	23 164	↑ 0,77	↑ 1,39
SSEC	2 004	↓ -0,96	↓ -0,45
SENSEX	21 135	↓ -0,61	↑ 1,81
RTS	1 397	↓ -0,32	↑ 0,60
Bovespa	49 696	↓ -0,82	↑ 0,76

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3614	↓ -0,04	↓ -0,39
EUR/CHF	1,2316	↓ -0,03	↓ -0,15
USD/GBP	1,6353	↓ -0,09	↓ -0,76
USD/JPY	104,33	↓ -0,01	↑ 0,20
AUD/USD	0,8807	↓ -0,14	↓ -2,07
USD/CAD	1,0929	→ 0,00	↑ 0,35

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,5	↑ 0,3	↓ -0,4
EMBI+ Spread	287	↓ -6	↓ -5
CDS 5Y PIIS	137	↓ -7	↓ -5
CDS 5Y Italy	124	↓ -5	↑ 1
CDS 5Y Belg.	25	↓ -1	↓ 0
iTraxx 5Y EU	70,1	↑ 1	↓ -1
US TED Spread	20,0	→ 0	↓ 0

Source: Reuters, OTP Research

Summary

- Advanced stock markets ended down, as retail chains dragged down both European and US indices. Best Buy nosedived 29%. Intel's earnings report also caused disappointment.
- US employment data have beaten expectations.

Europe's stock markets changed little on Thursday, but 13 of the 18 key indices sank. The Footsie inched down 0.1%, the Dax slipped 0.2%, and the CAC40 lost 0.3% of its value. The Stoxx600 index came 0.2% down after hitting its highest since January 2008 on the previous day; it upped by 1.8% in January and surged 17% in 2013. The US weekly employment data did not give an impetus to Europe but a report by Citibank about mining companies' favourable outlook brought some buoyancy: Rio Tinto added 2.5%, while a Buy recommendation by Citi lifted BHP Billiton by 3.8%. Utilities fared well too: Britain's water and wastewater company United Utilities skyrocketed 4.6% owing to a Buy recommendation by Morgan Stanley. Europe's retail chains performed mixed: France's FMCG retailer Carrefour and the Dutch Ahold slid back (-3.7% and -2.5% respectively), Britain's furniture&fixings firm Home Retail Group gained 1.5%.

Although the S&P500 broke a new record on Wednesday, the key stock indices of the USA saw losses again on Thursday. Best Buy headed the downward ride: the electronic goods retailer chain's share price plunged 29%, when the disheartening retail statistics on the Christmas season were out in the USA. Half of the S&P500's sub-indices declined: in addition to the retail sector, financial and transporting companies also retreated. Citigroup lost 4.4% of its value as its earnings missed analysts' expectations. Even though the quarterly figures of Goldman Sachs have topped forecasts, its full-year revenue fell by 5%, and its EPS plunged 18%, which slashed its stock price by 2% yesterday. However, there were some exceptions in this segment: BlackRock PNC (the second largest regional bank in the USA) made gains after reporting better-than-expected figures, as did Charles Schwab is. The deadweight on the technology sector was Intel (-2.6%), which published its report after market hours on Wednesday, while Hewlett-Packard gained strength from the Bank of America's Buy recommendation (+2.5%). Intel's earnings report did not fascinate investors: its profit grew by 6% YoY and the 51-cent EPS just misses the 52-cent expectation but in the first minutes of the after-hours trading it suddenly fell 3.5% – even if its forecast for the current quarter's performance matched analysts' expectations.

Today's quarterly earnings reports include those of GE and Morgan Stanley.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,39	→ 0	↓ -4
US 10Y	2,85	↓ -5	↓ -13
JP 2Y	0,09	↓ 0	↓ 0
JP 10Y	0,67	↑ 1	↓ -3
GER 2Y	0,22	→ 0	↓ -2
GER 10Y	1,83	↓ 0	↓ -8

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	0,50	↑ 0	↑ 3
US 5Y Swap	1,72	↑ 2	↑ 3
EUR 3M Euribor	0,30	↑ 1	↑ 2
EUR 2Y Swap	0,50	↓ -1	↓ -1
EUR 5Y Swap	1,17	↓ -3	↓ -3
GB 3M Libor	0,52	→ 0	↓ 0
GB 2Y Swap	0,00	↓ -93	↓ -1
GB 5Y Swap	1,93	↓ 0	↓ -2
JP 3M Libor	0,14	→ 0	↓ 0
JP 2Y Swap	0,19	↓ 0	↓ -1
JP 5Y Swap	0,35	↓ 0	↓ -2
CHF 3M Libor	0,02	↓ 0	↓ 0
CHF 2Y Swap	0,10	→ 0	↓ 0
CHF 5Y Swap	0,65	↑ 2	↑ 1

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	105,6	↓ -1,35	↓ -1,50
Gold	1 244	↑ 0,14	↓ -0,23

Source: Reuters, OTP Research

According to the most recent statistics, the weekly number of US initial jobless claims decreased by 2,000, to 326,000, falling short of predictions. The four-week moving average also came down. The US manufacturing outlook has also improved: the Philadelphia Fed manufacturing index rose by three points since December, to 9.4, topping analysts forecast of 8.

On Monday, American markets will be closed for Martin Luther King Day. On Monday, the IMF is to publish the World Economic Outlook, with its fresh forecast on the world economy.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	US	Dec	CPI (yoy, %)	1,5	1,5	1,2
	US	Jan	Philly Fed business index (points)	9,4	8,6	6,4
	DE	Dec	CPI (yoy, %)	0,4	0,4	0,4
	US	weekly	Initial jobless claims (ths)	326	328	330
	DE	Dec	Continued jobless claims (ths)	3 030	2 848	2 865
Friday	UK	Dec	Retail sales (yoy, %)		2,6	2,0
	US	Dec	Housing starts (millions)		0,990	1,091
	US	Dec	Building permits (millions)		1,015	1,017
	US	Dec	Industrial output (mom, %)		0,3	1,1
	US	Dec	Manufacturing output (mom, %)		0,3	0,6
	US	Jan	Michigan consumer sentiment (points)		83,5	82,5

Source: Reuters, OTP Research

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