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Daily Report – Global markets

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|-------------|--------|----------------|-----------------|
| DJIA | 16 614 | ↓ -0,61 | ↑ 0,58 |
| S&P500 | 1 889 | ↓ -0,47 | ↑ 0,55 |
| Nasdaq100 | 3 593 | ↓ -0,50 | ↑ 1,49 |
| Russell2000 | 1 103 | ↓ -1,61 | ↑ 0,52 |
| Stoxx600 | 342 | ↓ -0,09 | ↑ 1,65 |
| DAX | 9 754 | ↓ 0,00 | ↑ 2,45 |
| FTSE 100 | 6 878 | ↑ 0,08 | ↑ 1,21 |
| CAC40 | 4 501 | ↓ -0,09 | ↑ 1,23 |
| ATX | 2 469 | ↓ -0,40 | ↓ -0,09 |
| IBEX35 | 10 614 | ↑ 0,25 | ↑ 1,92 |
| Nikkei 225 | 14 298 | ↓ -0,75 | ↑ 0,69 |
| Hang Seng | 22 662 | ↑ 0,35 | ↑ 1,80 |
| SSEC | 2 029 | ↓ -0,92 | ↑ 0,68 |
| SENSEX | 23 763 | ↓ -0,45 | ↑ 6,58 |
| RTS | 1 261 | ↑ 0,54 | ↑ 2,71 |
| Bovespa | 54 413 | ↑ 0,94 | ↑ 1,85 |

FX MARKET

| | Close | Daily chg. (%) | Weekly chg. (%) |
|---------|--------|----------------|-----------------|
| EUR/USD | 1,3708 | ↓ -0,04 | ↓ -0,95 |
| EUR/CHF | 1,2201 | ↔ 0,00 | ↑ 0,18 |
| USD/GBP | 1,6766 | ↓ -0,35 | ↓ -0,97 |
| USD/JPY | 101,94 | ↑ 0,07 | ↑ 0,29 |
| AUD/USD | 0,9376 | ↑ 0,03 | ↑ 0,09 |
| USD/CAD | 1,0869 | ↓ -0,17 | ↑ 0,36 |

RISK INDICATORS

| | Close | Daily chg (bp) | Weekly chg (bp) |
|---------------|-------|----------------|-----------------|
| VIX | 12,2 | ↑ 0,0 | ↓ -1,2 |
| CDS 5Y PIIS | 12 | ↓ -11,9 | ↓ -13,8 |
| CDS 5Y Italy | 76 | ↓ -1,7 | ↓ -5,6 |
| CDS 5Y Belg. | 88 | ↓ 0,0 | ↓ -2,6 |
| iTraxx 5Y EU | 22,5 | ↓ -0,4 | ↓ -3,7 |
| US TED Spread | 65,8 | ↔ 0,0 | ↓ -0,1 |

Source: Reuters, OTP Research

Summary

- Wednesday's trading was rather gloomy on global markets.
- Cisco's Q1 earnings bolstered its stock price by 7% in after-hours trading.
- Europe's GDP data slightly missed forecasts, only Germany could beat expectations.

The major stock markets of the world saw unenthusiastic investors on Wednesday. America's and Europe's key indices mostly closed in the red. The Russell2000's 1.6% drop was the sharpest fall, followed by Dow's 0.6% slide; the S&P500 and the Nasdaq100 eased 0.5% each. Of the S&P's components, a 0.5% rise in utilities marks the best performance; and consumer discretionary index's 1.1% fall was the worst.

Europe's benchmark indices contracted, with the exception of the FTSE (+0.1%) and the IBEX35 (+0.3%). The DAX stagnated; the Stoxx and the CAC edged 0.1% down each, the ATX slipped 0.4%.

Cisco's Q1 figures, published after Wednesday's market close, triggered a more than 7% rally in after-hours trading. The networking equipment manufacturing giant's orders in emerging markets were ailing but there was growth in America and Europe. Cisco's gross profit margin has improved, rising to 62.7% (from 53.3% a quarter earlier) and exceeding the management's expectations.

The EUR/USD slightly subsided in yesterday's trading; the pair closed near 1.370. The cross was seen at 1.366 earlier today and the USD has been firming since the morning.

Asia's major indices closed mixed: the SSEC plunged 0.9%, the Nikkei fell 0.8%, and the SENSEX dropped by 0.5%, while the Hang Seng rose by 0.4%. Elsewhere, a 0.5% increase caused Russia's RTS to close at 1.261.

GOV'T BOND MARKET

| | Yield (%) | Daily chg (bp) | Weekly chg (bp) |
|---------|-----------|----------------|-----------------|
| US 2Y | 0,37 | ↓ -1 | ↓ -4 |
| US 10Y | 2,54 | ↓ -7 | ↓ -8 |
| JP 2Y | 0,09 | ↑ 0 | ↓ 0 |
| JP 10Y | 0,60 | ↓ -1 | ↓ -1 |
| GER 2Y | 0,11 | ↓ -2 | ↓ -4 |
| GER 10Y | 1,43 | ↓ -4 | ↓ -3 |

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 | 0,23 | ↑ 0 | ↑ 0 |
| US 2Y Swap | 0,49 | ↑ 2 | ↓ -1 |
| US 5Y Swap | 1,65 | ↑ 3 | ↓ -3 |
| EUR 3M Euribor | 0,33 | ↓ -1 | ↓ -1 |
| EUR 2Y Swap | 0,39 | ↓ -1 | ↓ -4 |
| EUR 5Y Swap | 0,78 | ↓ -5 | ↓ -11 |
| GB 3M Libor | 0,53 | ↓ 0 | ↓ 0 |
| GB 2Y Swap | 1,08 | → 0 | ↑ 0 |
| GB 5Y Swap | 0,00 | ↓ -1 | ↑ 0 |
| JP 3M Libor | 0,14 | → 0 | → 0 |
| JP 2Y Swap | 0,18 | ↓ -1 | ↑ 0 |
| JP 5Y Swap | 0,31 | ↓ -1 | ↑ 0 |
| CHF 3M Libor | 0,02 | → 0 | → 0 |
| CHF 2Y Swap | -0,01 | ↓ -3 | ↓ -4 |
| CHF 5Y Swap | 0,27 | ↑ 0 | ↓ -8 |

COMMODITIES

| | Close | Daily chg. (%) | Weekly chg. (%) |
|-----------|-------|----------------|-----------------|
| Oil Brent | 110,0 | ↓ -0,16 | ↑ 1,82 |
| Gold | 1 302 | ↓ -0,25 | ↑ 0,99 |

Source: Reuters, OTP Research

Unemployment rate in the UK (at 6.8%) has matched analysts' forecast. Poland's consumer price index came down, and the eurozone's industrial production slightly undershot economists' expectations.

This morning's release of Japan's annualized quarterly GDP data (+5.9%) has exceeded expectations. France's and the eurozone's Q1 GDP figures slightly missed forecasts, but Germany's growth appeared to be stronger than had been thought. The US consumer price index, industrial production, the New York Fed's manufacturing index, and the Philadelphia Fed index will be out in the afternoon.

| | COUNTRY | DATE | INDICATOR | FACT | CONSENSUS | PREVIOUS |
|-----------|---------|------|--|------|-----------|----------|
| Wednesday | GB | Mar | ILO unemployment rate (%) | 6,8 | 6,8 | 6,9 |
| | EZ | Mar | Industrial production (MoM, %) | -0,3 | -0,2 | 0,2 |
| | PL | Apr | CPI, (YoY, %) | 0,3 | 0,6 | 0,7 |
| | JP | Q1 | GDP (annualised QoQ, %) | 5,9 | 4,20 | 0,70 |
| | FR | Q1 | GDP (flash, QoQ, %) | 0,0 | 0,2 | 0,3 |
| | DE | Q1 | GDP (flash, QoQ, %) | 0,8 | 0,7 | 0,4 |
| | EZ | Q1 | GDP (flash, QoQ, %) | 0,2 | 0,4 | 0,3 |
| | US | Apr | CPI, (YoY, %) | | 1,9 | 1,5 |
| | US | May | New York Fed manufacturing index (point) | | 5,5 | 1,3 |
| | US | Apr | Industrial production (MoM, %) | | 0,2 | 0,7 |
| | US | Mar | Philadelphia Fed business index (%) | | 15,4 | 16,6 |

Source: Reuters, OTP Research

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