

Headquarter Treasury Sales

Head of Sales

Marius George Ionescu

+40755 000 437

marius.ionescu@otpbank.ro

Tania Fantana

+4021 30758 17

tania.fantana@otpbank.ro

Alexandru Tibuleac

+4021 30758 17

alexandru.tibuleac@otpbank.ro

Alina Vrabioiu

+4021 30758 17

alina.vrabioiu@otpbank.ro

Regional Treasury Sales

Cezar Trandafirescu - Iasi

+40755 000 246

cezlar.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

+40755000474

radu.oprea@otpbank.ro



Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 543	↑ 0,06	↑ 0,59
S&P500	1 892	↑ 0,24	↑ 1,16
Nasdaq100	3 651	↑ 0,42	↑ 1,77
Russell2000	1 114	↑ 0,93	↑ 0,99
Stoxx600	341	↑ 0,20	↑ 0,74
DAX	9 721	↑ 0,24	↑ 0,67
FTSE 100	6 821	↓ -0,01	↓ -0,30
CAC40	4 478	↑ 0,21	↑ 0,75
ATX	2 437	↑ 1,67	↑ 1,01
IBEX35	10 521	↓ -0,10	↑ 1,50
Nikkei 225	14 462	↑ 0,87	↑ 3,25
Hang Seng	22 967	↑ 0,06	↑ 0,58
SSEC	2 028	↑ 0,32	↑ 0,06
SENSEX	24 617	↑ 1,31	↑ 1,05
RTS	1 313	↓ -0,31	↑ 4,79
Bovespa	52 806	↑ 1,15	↓ -2,17

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3646	↓ -0,06	↓ -0,34
EUR/CHF	1,2214	↑ 0,05	↓ -0,07
USD/GBP	1,6868	↓ -0,18	↑ 0,33
USD/JPY	101,66	↓ -0,06	↑ 0,17
AUD/USD	0,9240	↑ 0,20	↓ -1,29
USD/CAD	1,0893	↑ 0,06	↑ 0,35

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,0	↑ 0,1	↓ -1,1
CDS 5Y PIIS	12	↓ -1,0	↑ 11,9
CDS 5Y Italy	79	↓ -1,7	↑ 20,9
CDS 5Y Belg.	109	↑ 1,6	↑ 3,6
iTraxx 5Y EU	26,1	↓ -0,8	↓ -1,0
US TED Spread	69,5	⇒ 0,0	↓ -0,8

Source: Reuters, OTP Research

Summary

- Advanced economies' equity markets made gains on Thursday, possibly galvanized by China's and the USA's manufacturing PMIs.
- Mining companies were Europe's outperformers and defensive names excelled in the USA. American housing market statistics boosted demand for home building and home furnishing companies.
- Asia's key indices fared well. After yesterday's military coup, Thailand's stock exchange fell but the baht remained stable.

In Thursday's trading, advanced economies' stock indices achieved gains. In Europe, the Stoxx600-as index closed 0.2% higher; and 15 of the 18 national benchmarks ended in the positive territory. It was partly the better-than-expected manufacturing data from China and in part the US industrial and housing market figures that heartened investors. Within the Stoxx600's sector indices, commodity producers were the top gainers; Rio Tinto closed 1.3% higher, and the stock price of the Fresnillo gold and silver mining company rose by 1.9%. One of the biggest winners of the day was the Daily Mail & General Trust media conglomerate, which rallied 8.9% on the back of news that the company operating the Zoopla real property websites, and co-owned by the group, will be listed on the London stock exchange. Raiffeisen Bank's earnings report has beaten expectations and boosted the stock price by 6%. Likewise, SABMiller also profited (+3.5%) from its earnings figures, while the Royal Mail plunged 9.7% after posting GBP 363 million annual pre-tax profit and missing analysts' consensus. Auditing problems around its annual report slashed the Swiss Logitech's share price by 4.4%.

America's indices closed with modest gains yesterday, with the Russell2000 and technology indices being energetic than others. Of the S&P500's sector indices, healthcare companies, utilities, and the retail sector stood out. The Dollar Tree discount retail company's 6.6% skyrocketing marked the best performance in the S&P, following better-than-expected quarterly results. For the same reason, Best Buy also surged +3.4%. The Williams-Sonoma high-end home appliances company rallied 8.2%, bolstered by better-than-expected quarterly profit, and benefiting from higher profit forecast for this year. The S&P's home building component upped 2.1%, following the publication of encouraging existing home sales statistics. Hewlett-Packard lost 2.3% in the aftermath of disappointing profit figures and job cut plans.

Most of Asia's indices closed higher this morning. Thailand's SET index closed 2% lower following Thursday's military coup, which put an end to six months of political deadlock. In a positive reaction to the news, the baht even made moderate gains versus the dollar.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,35	→ 0	↓ -1
US 10Y	2,55	↑ 1	↑ 6
JP 2Y	0,09	→ 0	↑ 0
JP 10Y	0,61	↑ 0	↑ 2
GER 2Y	0,09	↑ 1	↓ -2
GER 10Y	1,38	↑ 4	→ 0

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	0,50	↑ 0	↑ 1
US 5Y Swap	1,60	↓ -2	↓ -1
EUR 3M Euribor	0,32	↓ 0	↓ 0
EUR 2Y Swap	0,38	↓ 0	↓ -1
EUR 5Y Swap	0,79	↓ -1	↑ 1
GB 3M Libor	0,53	↓ 0	↑ 0
GB 2Y Swap	1,12	→ 0	↓ 0
GB 5Y Swap	0,00	↓ -1	→ 0
JP 3M Libor	0,14	→ 0	→ 0
JP 2Y Swap	0,18	↓ 0	↓ 0
JP 5Y Swap	0,31	↓ -1	→ 0
CHF 3M Libor	0,02	↑ 0	↑ 0
CHF 2Y Swap	0,01	↓ 0	↑ 0
CHF 5Y Swap	0,33	↑ 2	↑ 6

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	110,4	→ 0,00	↑ 0,56
Gold	1 294	↑ 0,05	↑ 0,09

Source: Reuters, OTP Research

Markit's preliminary manufacturing index for the USA rose to 56.2 in May, beating market expectations. However, the same reading for the euro area signifies deterioration, as the gauge sank to 52.5, from 53.4 in April. Encouragingly for the European index, the employment sub-index could improve again, and the component for new orders hit a three-year high. Statistics on individual member states point toward a sustained divergence between Germany and France: while the German composite index remained at 56.1, the French index sank below the 50 threshold. The eurozone's services PMI hit a 35-month high, rising to 53.5.

China's manufacturing purchasing managers' index, at 49.7, was likewise heartening as it exceeded both expectations and the previous month's reading.

The weekly unemployment data from the USA came in worse than expected; the initial jobless claims count jumped to 326,000. Existing home sales for April point to a possible upturn. Today, new home sales figures will be out in the USA.

Germany's detailed Q1 economic growth data, released this morning, show 2.3% year-on-year expansion in consumption (workday-adjusted index). Investments increased by 3.2% (constructions surged by 3.6%), and households' consumption rose by 0.7%.

Missing expectations, Germany's IFO index for May sank to 110.4.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	CN	May	HSBC manufacturing PMI (flash, point)	49,7	-	48,1
	FR	May	Markit manufacturing PMI (flash, point)	49,3	51,0	51,2
	DE	May	Markit manufacturing PMI (flash, point)	52,9	54,0	54,1
	EZ	May	Markit manufacturing PMI (flash, point)	52,5	53,2	53,4
	GB	Q1	GDP (QoQ, %)	0,8	0,8	0,8
	US	Apr	Existing home sales (annualized, MoM)	4,7	4,7	4,6
	US	May	Markit manufacturing PMI (flash, point)	56,2	55,5	55,4
	US	Apr	Leading index (MoM, %)	0,4	0,3	0,8
Friday	DE	Q1	GDP (QoQ, %)	0,8	0,8	0,8
	DE	May	IFO business climate index (point)		110,9	111,2
	US	Apr	New home sales (annualized, MoM, ths)		420,0	384,0

Source: Reuters, OTP Research

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

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

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