

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 808	↑ 0,16	↓ -0,81
S&P500	1 942	↑ 0,22	↓ -0,45
Nasdaq100	3 781	↑ 0,04	↓ -0,44
Russell2000	1 177	↑ 0,84	↑ 0,85
Stoxx600	346	↑ 0,26	↓ -0,94
DAX	9 920	↑ 0,37	↓ -1,08
FTSE 100	6 767	↑ 0,18	↓ -1,55
CAC40	4 536	↑ 0,58	↓ -1,28
ATX	2 562	↑ 0,14	↓ -0,93
IBEX35	11 059	↑ 0,46	↓ -0,85
Nikkei 225	15 116	↑ 0,93	↑ 0,95
Hang Seng	23 219	↑ 0,07	↓ -0,43
SSEC	2 057	↓ -0,45	↑ 0,11
SENSEX	25 528	↑ 1,34	↑ 0,19
RTS	1 344	↓ -1,05	↓ -1,85
Bovespa	54 300	↓ -0,60	↓ -1,46

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3541	↓ -0,03	↑ 0,07
EUR/CHF	1,2185	↑ 0,02	↑ 0,07
USD/GBP	1,6963	↓ -0,11	↑ 1,05
USD/JPY	102,26	↑ 0,12	↑ 0,20
AUD/USD	0,9333	→ 0,00	↓ -0,51
USD/CAD	1,0869	↑ 0,10	↑ 0,04

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,1	↓ -0,6	↑ 1,1
CDS 5Y PIIS	12	↑ 20,7	↑ 22,0
CDS 5Y Italy	73	↑ 2,1	↑ 5,5
CDS 5Y Belg.	75	↑ 3,3	↑ 5,2
iTraxx 5Y EU	26,8	↓ -0,6	↑ 2,9
US TED Spread	60,2	→ 0,0	↑ 0,0

Source: Reuters, OTP Research

Summary

- Despite the persisting geopolitical tensions, advanced economies' equity indices climbed higher on Tuesday.
- Ahead of today's Fed decision, the dollar's firming led the EUR/USD to 1.355.

Developed markets' key stock indices mostly finished with small gains, in both Europe and America. They could go higher despite the continued geopolitical tensions in Ukraine and Iraq, and in the face of the worse-than-expected German and US macroeconomic data.

The dollar's strengthening pushed the EUR/USD to 1.355, ahead of tonight's Fed decision. The outcome seems quite predictable: the interest rate is likely to be left on hold and despite the weak GDP data, the asset purchase program may be trimmed by further USD 10 billion because the fundamental processes on the labour market remain strong and inflation is close to the Fed's target.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,48	↑	1	↑	4
US 10Y	2,66	↑	6	↑	1
JP 2Y	0,08	→	0	↑	0
JP 10Y	0,60	↓	-1	↓	0
GER 2Y	0,04	↑	1	↓	-2
GER 10Y	1,36	↓	-1	↓	-1

CENTRAL BANKS' RATES

	Rate (%)		6M Consensus		1Y Consensus
Fed Funds	0,25	→	0,25	→	0,25
ECB Rate	0,15	→	0,15	→	0,15
BOE Rate	0,50	→	0,50	↑	1,00
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	0,62	↑	2	↑	7
US 5Y Swap	1,78	↓	-2	↑	4
EUR 3M Euribor	0,22	↓	-1	↓	-5
EUR 2Y Swap	0,32	↓	0	↑	0
EUR 5Y Swap	0,72	↑	3	↑	0
GB 3M Libor	0,56	↓	0	↑	2
GB 2Y Swap	1,35	→	0	↓	-1
GB 5Y Swap	2,22	↓	-1	↓	-2
JP 3M Libor	0,13	→	0	↓	0
JP 2Y Swap	0,16	↓	0	↓	-1
JP 5Y Swap	0,28	↓	-1	↓	-2
CHF 3M Libor	0,01	→	0	↑	0
CHF 2Y Swap	0,03	↓	0	↑	1
CHF 5Y Swap	0,33	↑	3	↑	3

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	113,2	↓	-0,23	↑	2,95
Gold	1 268	↓	-0,24	↑	0,63

Source: Reuters, OTP Research

In China, home prices dropped by 0.2% between April and May; in year/year terms, they decelerated to 5.6%, down from 6.7% in April.

Today's most important event is this evening's Fed decision on interest rates. The asset purchase program is likely to be slashed by further USD 10 billion a month; the interest rate will probably stay flat. The key question is what guidelines the Fed will provide as to its future interest rate path.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	UK	May	CPI (yoy, %)	1,5	1,7	1,8
	US	May	CPI (yoy, %)	2,10	2,00	2,00
	US	May	Building permits (annualized monthly, '000)	991,0	1 050,0	1 059,0
	US	May	Housing starts (annualized monthly, '000)	1 001,0	1 034,0	1 072,0
	DE	Jun	ZEW economic sentiment (point)	29,8	35,0	33,1
	Wednesday	CN	May	House prices (yoy, %)	5,6	-
UK		Jun	Minutes of the rate decision	-	-	-
PL		May	Industrial production (yoy, %)	-	6,3	5,4
US		Jun	Rate decision (%)	-	0,3	0,3

Source: Reuters, OTP Research

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