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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 852	↑ 0,03	↓ -0,56
S&P500	1 961	↑ 0,19	↓ -0,10
Nasdaq100	3 844	↑ 0,46	↑ 1,03
Russell2000	1 190	↑ 0,74	↑ 0,38
Stoxx600	342	↑ 0,03	↓ -1,76
DAX	9 815	↑ 0,10	↓ -1,72
FTSE 100	6 758	↑ 0,34	↓ -0,99
CAC40	4 437	↓ -0,06	↓ -2,30
ATX	2 492	↓ -0,27	↓ -2,86
IBEX35	10 960	↓ -0,26	↓ -1,75
Nikkei 225	15 150	↑ 0,37	↓ -1,47
Hang Seng	23 264	↑ 0,18	↑ 1,74
SSEC	2 050	↑ 0,66	↑ 1,27
SENSEX	25 383	↑ 1,28	↑ 0,27
RTS	1 380	↑ 0,17	↑ 1,55
Bovespa	53 157	↓ -0,65	↓ -1,94

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3643	↓ -0,03	↑ 0,29
EUR/CHF	1,2156	↓ -0,02	↓ -0,07
USD/GBP	1,7033	↑ 0,05	↑ 0,05
USD/JPY	101,30	↓ -0,06	↓ -0,62
AUD/USD	0,9422	↑ 0,03	↑ 0,03
USD/CAD	1,0673	↑ 0,08	↓ -0,50

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	11,3	↓ -0,4	↑ 0,4
CDS 5Y PIIS	11	↑ 2,8	↑ 3,8
CDS 5Y Italy	78	↑ 1,7	↑ 4,6
CDS 5Y Belg.	80	↓ -2,1	↓ -3,0
iTraxx 5Y EU	27,8	↑ 0,9	↑ 2,9
US TED Spread	60,4	→ 0,0	↓ -0,6

Source: Reuters, OTP Research

Summary

- The better-than-expected reading of the Michigan consumer sentiment index helped advanced equity markets climb back into the positive territory on Friday.
- Chiefly technology, manufacturing and utility companies fared well in the USA.
- Housing starts saw double-digit fall in Japan.

The Stoxx600 Index ended 0.1% higher on Friday but saw the most painful weekly loss since the beginning of April (-1.8%). Eleven of the 18 national benchmarks closed with gains in Friday's session; while the FTSE shed 0.3%, the DAX edged down 0.1%, and the CAC40 slipped less than 0.1%. Trading volumes were lighter than usual before the higher-than-forecast consumer sentiment index came out in the USA. One of the strongest winners of the day was Italy's Mediaset – the media giant in which the former PM Berlusconi has a stake surged 4%, as Exane BNP Paribas upgraded its respective investment recommendation from Underperform to Neutral. UBS's move to downgrade its investment recommendation on Britain's Ophir Energy from Buy to Neutral slashed the deep sea oil producer's stock price by 5.4%. A 6% fall in Imagination Technologies' share price lifted its three-day accumulated loss to 16%. The reason behind the fall may be the owner Intel's selling a 9.3% stake. Banco Espirito Santo's 11% plunge must have been one of the steepest falls; analysts at CreditSights downgraded its five-year CDS to Underperform, from Neutral.

In the USA, the better-than-expected consumer sentiment index successfully reversed the fall in the last couple of hours, helping the indices to small gains. Not only did the Russell2000 rise by 0.7% but its turnover also surpassed the 30-day average by 161%, largely owing to the annual revision of Russell's indices. Of the S&P's constituents, the technology, manufacturing, and utilities sectors outshined others, while commodity producers were the weakest ones. Utilities have been rising for the fourth consecutive day in a row, in the face of the adverse mood on equity market last week. Utility companies have advanced 15% year to date. The strongest name in the Nasdaq was GoPro; the sports camera manufacturer rallied 33% on Thursday, its debut date on the stock exchange, and it added further 14% in Friday's session. DuPont lost 3.3%, after lowering its former profit forecast for 2014. The discount retail chain Dollar General contracted 7.3% on Friday as investors did not appreciate news on the executive chairman's retirement. The S&P closed 0.1% lower last week but it swelled 1.9% in June.

Buoyancy returned to Asia's stock markets where the key stock indices closed higher this morning; India's SENSEX advanced 1.3%.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,46	↓ 0	↑ 0
US 10Y	2,53	↑ 0	↓ -8
JP 2Y	0,08	↓ -1	↓ -1
JP 10Y	0,56	↓ -1	↓ -3
GER 2Y	0,03	↓ 0	↓ 0
GER 10Y	1,24	↓ -3	↓ -9

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	0,55	↓ -1	↓ -4
US 5Y Swap	1,67	↓ -2	↓ -8
EUR 3M Euribor	0,21	↓ 0	↓ -1
EUR 2Y Swap	0,32	↑ 2	↓ 0
EUR 5Y Swap	0,67	↑ 3	↓ 0
GB 3M Libor	0,55	↓ 0	↓ 0
GB 2Y Swap	0,00	↓ -129	↓ -1
GB 5Y Swap	0,00	↓ 0	↓ -2
JP 3M Libor	0,13	→ 0	→ 0
JP 2Y Swap	0,16	↓ 0	↓ -1
JP 5Y Swap	0,25	↓ 0	↓ -2
CHF 3M Libor	0,01	↓ 0	↓ 0
CHF 2Y Swap	0,04	↓ -1	↑ 1
CHF 5Y Swap	0,28	↑ 0	↓ -2

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	113,0	↓ -0,25	↓ -0,96
Gold	1 317	↑ 0,11	↓ -0,10

Source: Reuters, OTP Research

Beating the forecast of 82, the final reading of the consumer sentiment index compiled by Thomson Reuters and the University of Michigan stood at 82.5 in June, up from 81.9 in the previous month and more than the preliminary gauge of 81.2.

Japan's industrial production figures, published this morning, indicated smaller-than-expected expansion in May. This came after April's statistics, which signified contraction. The number of housing starts fell further in Japan: the plunge was 15% in May in-year-on year terms.

Today the manufacturing purchasing managers' index and home sales statistics will see the light of day in the USA.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	GB	Q1	GDP (YoY, %)	3,0	3,1	3,1
	GB	Q1	Investments (YoY, %)	10,6	8,7	8,7
	EZ	Jun	Economic Sentiment (points)	102,0	103,0	102,7
	EZ	Jun	Consumer Confidence, final (points)	-7,5	-6,7	-7,1
	DE	Jun	HICP, preliminary (YoY, %)	1,0	0,7	0,6
Monday	US	Jun	Michigan Sentiment, final (points)	82,5	82,0	81,2
	JP	May	Industrial output (MoM, %)	0,5	0,9	-2,8
	JP	May	Housing starts (YoY, %)	-15,0	-10,6	-3,3
	EZ	Jun	CPI, preliminary (YoY, %)		0,5	0,5
	US	Jun	Chicago PMI (points)		63,0	65,5
	US	May	Pending home sales (MoM, %)		1,5	0,4

Source: Reuters, OTP Research

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