

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



Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 493	↓ -0,42	↓ -2,75
S&P500	1 925	↓ -0,29	↓ -2,69
Nasdaq100	3 880	↓ -0,33	↓ -2,21
Russell2000	1 115	↓ -0,47	↓ -2,16
Stoxx600	332	↓ -1,21	↓ -2,94
DAX	9 210	↓ -2,10	↓ -4,50
FTSE 100	6 679	↓ -0,76	↓ -1,65
CAC40	4 203	↓ -1,02	↓ -2,95
ATX	2 281	↓ -1,29	↓ -3,93
IBEX35	10 514	↓ -1,80	↓ -3,44
Nikkei 225	15 475	↓ -0,31	↓ -0,92
Hang Seng	24 654	↑ 0,49	↓ -0,32
SSEC	2 218	↑ 1,51	↑ 1,85
SENSEX	25 636	↓ -1,00	↓ -0,60
RTS	1 213	↓ -0,54	↓ -2,69
Bovespa	55 903	↑ 0,13	↓ -3,11

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3428	↓ -0,01	↓ -0,08
EUR/CHF	1,2167	↑ 0,05	↑ 0,16
USD/GBP	1,6820	↓ -0,38	↓ -0,95
USD/JPY	102,66	↑ 0,05	↑ 0,80
AUD/USD	0,9314	↑ 0,09	↓ -0,97
USD/CAD	1,0923	↑ 0,08	↑ 1,20

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	17,0	↑ 0,1	↑ 4,3
CDS 5Y PIIS	17	↑ 9,8	↑ 3,8
CDS 5Y Italy	96	↑ 9,9	↑ 1,4
CDS 5Y Belg.	92	↑ 1,0	↑ 1,0
iTraxx 5Y EU	33,3	↑ 2,5	↑ 5,9
US TED Spread	67,1	→ 0,0	↑ 0,6

Source: Reuters, OTP Research

Summary

- US stock markets slightly recovered from their losses; the energy sector benefited from a politician's announcement in support of shale gas production.
- In Europe, investors remained unenthusiastic on Monday, but the banking sector could gain from news on rescuing Banco Espirito Santo.
- BMW's fresh Q2 earnings report gave account of outstanding profitability and soaring profits.

US benchmarks could see gains again, recovering from last week's worst weekly losses in two years. The S&P500 added 0.7%, as nine out of its ten constituents ended in the positive territory. The energy sector and consumer staples were the most vigorous ones. Utilities was the only sector to descend yesterday. Energy companies soared as Colorado's governor spoke in support of shale gas production. Anadarko surged 4.8% and Noble Energy rallied 5.2%. Internet companies fared well too. Verisign gained 2.5%, after Warren Buffett had boosted his stake in it. Groupon jumped 8.7% higher, ahead of today's earnings report. Walt Disney, which is also set to report today, firmed 2.2%, which made it the strongest name in the Dow yesterday. Michael Kors, the fashion designer company, plunged 5.9% – although its earnings report overshot analysts' expectations in terms of revenue and profits, its management forecast deteriorating profitability for 2014.

In Europe, the adverse mood has not changed; investors keep selling the shares of companies with sizeable Russian/Ukrainian exposure. The Stoxx600 edged down 0.2%, and nine of the 17 national benchmarks ended lower. Switzerland's stock index lost 1.3% of its value as two of its big companies, Nestlé and Novartis, fell sharply. Nestlé lost 1.5%, Novartis dropped 1.3, and Roche shed 1.4%. Given that rescuing Banco Espirito Santo is on track, investors gave a sigh of relief and resumed buying Banco Comercial Português' stocks, boosting its share price by 6.1%. Italy's Intesa Sanpaolo climbed 1.4% higher, and Spain's Bankinter rallied 3.2%. In this morning's earnings report, BMW's profit figures beat analysts' expectations; the car manufacturer also confirmed this year's forecast for a meaningful increase in pre-tax profits. Its Q2 EBIT ratio increased to 11.7%, up from 9.6% a year earlier, and overtaking both Audi and Daimler. Its Q2 EBIT jumped 26% in a year, surpassing analysts' consensus by 16%. Its revenue increased by 1.8% in a year; the stronger demand in China has greatly improved profitability. In Germany, the earnings reports of Axel Springer and Deutsche Post will be out today.

Negative sentiment gained the upper hand on Asia's equity markets this morning; all indices but the SENSEX closed in the red this morning.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,48	↓ -6	↓ -2
US 10Y	2,50	↓ -6	↑ 3
JP 2Y	0,07	↓ 0	↓ 0
JP 10Y	0,53	↓ 0	↑ 0
GER 2Y	0,03	↓ -2	↓ -1
GER 10Y	1,17	↑ 0	→ 0

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	0,24	↓ 0	↑ 0
US 2Y Swap	0,66	↑ 1	↓ -2
US 5Y Swap	1,78	↑ 2	↓ -2
EUR 3M Euribor	0,21	↓ 0	↓ 0
EUR 2Y Swap	0,33	↑ 0	↑ 0
EUR 5Y Swap	0,64	↓ -1	↑ 0
GB 3M Libor	0,56	↑ 0	↑ 0
GB 2Y Swap	1,31	↑ 2	↓ -1
GB 5Y Swap	2,12	↓ 0	↓ 0
JP 3M Libor	0,13	→ 0	→ 0
JP 2Y Swap	0,16	↓ 0	↓ -1
JP 5Y Swap	0,24	↓ 0	↓ 0
CHF 3M Libor	0,02	→ 0	↑ 0
CHF 2Y Swap	0,02	↓ -1	↓ -1
CHF 5Y Swap	0,28	↑ 2	↑ 5

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	105,2	↑ 0,32	↓ -2,22
Gold	1 294	↑ 0,02	↓ -0,78

Source: Reuters, OTP Research

The Sentix investor confidence index for the eurozone sank to 2.7, falling from the above-10 reading for July; whereas the expectations had projected no more than a slight deterioration. The eurozone's producer price index dropped further in July, to 0.8% year on year.

The eurozone's member states and the USA will release the services sector's purchasing manager indices today. The eurozone's retail statistics and the US factory goods orders are also worth keeping an eye on.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	EZ	Jul	Markit manufacturing PMI (points)	51,8	51,9	51,9
	DE	Jul	Markit manufacturing PMI (points)	52,4	52,9	52,9
	US	Jul	Non-farm payroll ('000)	209,0	233,0	288,0
	US	Jul	Manufacturing payroll ('000)	28,0	15,0	16,0
	US	Jul	Unemployment rate (%)	6,2	6,1	6,1
	US	Jul	Michigan sentiment final (points)	81,8	82,0	81,3
	US	Jul	ISM Manufacturing PMI (points)	57,1	56,0	55,3
	Monday	EZ	Aug	Sentix Index (points)		9,0
EZ		Jun	Producer prices (YoY, %)		-1,0	-1,0

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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