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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 652	↑ 0,55	↑ 1,27
S&P500	1 947	↑ 0,67	↑ 1,38
Nasdaq100	3 949	↑ 1,13	↑ 2,37
Russell2000	1 142	↑ 0,77	↑ 1,97
Stoxx600	330	↑ 0,39	↑ 0,25
DAX	9 199	↑ 1,43	↑ 0,75
FTSE 100	6 657	↑ 0,37	↑ 0,31
CAC40	4 195	↑ 0,78	↓ -0,29
ATX	2 271	↑ 1,05	↑ 1,26
IBEX35	10 304	↑ 0,61	↑ 0,56
Nikkei 225	15 318	↑ 0,69	↑ 3,65
Hang Seng	24 859	↓ -0,13	↑ 0,86
SSEC	2 222	↓ -0,05	↑ 1,56
SENSEX	25 961	↑ 0,31	↓ -0,60
RTS	1 221	↑ 1,84	↑ 5,16
Bovespa	55 581	↓ -1,53	↓ -1,08

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3360	↓ -0,03	↓ -0,01
EUR/CHF	1,2127	⇒ 0,00	↓ -0,12
USD/GBP	1,6686	↓ -0,75	↓ -0,87
USD/JPY	102,59	↑ 0,18	↑ 0,49
AUD/USD	0,9295	↓ -0,08	↑ 0,27
USD/CAD	1,0915	↑ 0,05	↓ -0,09

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,9	↓ -1,2	↓ -3,5
CDS 5Y PIIS	13	↓ -10,6	↑ 0,4
CDS 5Y Italy	96	↓ -11,8	↑ 2,8
CDS 5Y Belg.	95	↑ 35,9	↑ 2,5
iTraxx 5Y EU	35,9	↑ 0,6	↑ 2,0
US TED Spread	67,2	⇒ 0,0	↓ -1,4

Source: Reuters, OTP Research

Summary

- Well short of most forecasts, Germany's Q2 GDP rose by merely 0.8% YoY.
- Despite the disappointing macroeconomic data, stock markets climbed higher in Western Europe and in America yesterday.
- US indices advanced, headed by healthcare and IT firms. In Europe, E.On and SwissLife boosted indices.

In the USA, both retail sales and business inventories statistics missed expectations but this did not prevent equity markets from rising. The apparent easing of geopolitical tensions may have been a cause for optimism. All of the S&P's sector indices closed higher, with healthcare and IT businesses seeing the nicest gains. A 2.9% rally made Intel the strongest name in the Dow. Amazon added 2.2% – according to Bloomberg's sources, the online retailer accelerated revenue growth in each month of 2014. Macy's stock price fell 5.5% yesterday, as America's second-largest retail network gave account of smaller-than-expected profit and slashed its revenue forecast for 2014. JC Penney, Nordstrom, and Wal-Mart will publish their earnings figures today.

The Q2 net profit of Germany's E.On energy company surpassed expectations by 2%. In response, the market boosted its stock price by 4.8% by the end of the day. By the same token, SwissLife rallied 7.1%; the insurance company's CHF 484 million Q2 profit, rising by 2.5% in a year, beat expectations by 6.1%. In the health care sector, Nobel Biocare added +4% and Merck surged +3.2%, while Sweden's Meda plummeted 8.6% after its Q2 profit figures missed the consensus forecast. In this morning's earnings report, RWE gave account of EUR 89 million loss in the second quarter, as opposed to the EUR 691 million profit reported a year earlier. Its revenue contracted by 16%, and its stock price fell by 3.8% in this morning's trading. In Germany, the artificial fertilizer manufacturer K+S, ThyssenKrupp, and TUI publish their earnings figures today.

Asia's markets closed mixed this morning; the Hang Seng and the Sensex sank while others made gains. Brazil is mourning today as a president-candidate was killed by a plane crash; its currency the real is seen weakening and stock prices are falling.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,42	↓	-2	↓	-4
US 10Y	2,43	↓	-3	↓	-4
JP 2Y	0,06	↑	0	→	0
JP 10Y	0,51	↓	0	↓	-1
GER 2Y	0,00	↑	0	↓	-3
GER 10Y	1,07	↑	0	↓	-8

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	↓	0	↓	-2
US 5Y Swap	1,71	↑	1	↓	-3
EUR 3M Euribor	0,20	↓	0	↓	-1
EUR 2Y Swap	0,30	↓	-1	↓	-2
EUR 5Y Swap	0,58	↓	-4	↓	-2
GB 3M Libor	0,56	↓	0	→	0
GB 2Y Swap	0,00	↓	-9	↓	0
GB 5Y Swap	0,00	↓	-1	↓	0
JP 3M Libor	0,13	→	0	↓	0
JP 2Y Swap	0,16	↓	-1	↓	0
JP 5Y Swap	0,24	↓	-1	↓	0
CHF 3M Libor	0,02	↑	0	→	0
CHF 2Y Swap	0,00	↓	-2	↓	-2
CHF 5Y Swap	0,00	↓	-22	↓	-24

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	103,8	↓	-0,51	↓	-1,60
Gold	1 313	↑	0,07	↑	0,00

Source: Reuters, OTP Research

The eurozone's June industrial output figures signify stagnation and fell short of expectations. The euro area' GDP statistics for Q2 are due out today. The preliminary estimate on Germany's GDP indicates weaker-than-expected year-on-year growth of merely 0.8% in Q2, down from +2.5% a quarter earlier. France published stagnant quarter/quarter growth figure.

The USA released disappointing retail sales statistics. Wrong-footing those forecasting a modest rise, the facts signify stagnation, chiefly as a result of sluggish car sales. Today, Thursday's usual weekly jobless data will be released in the United States.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	JP	Q2	GDP (qoq, annualized, %)	-6,8	-7,1	6,7
	EZ	Jun	Industrial production (yoy, %)	0,0	0,1	0,5
	US	Jul	Retail sales (mom, %)	0,0	0,2	0,2
	US	Jun	Business inventories (mom, %)	0,4	0,4	0,5
Thursday	DE	Q2	GDP (yoy, %)	-0,2	0,0	0,8
	DE	Q2	GDP (yoy, %)	0,8	1,5	2,5
	FR	Q2	GDP (qoq, %)	0,0	0,1	0,0
	EZ	Q2	GDP (qoq, %)		0,1	0,2
	EZ	Q2	GDP (yoy, %)		0,7	0,9
	EZ	Jul	Inflation, final (yoy, %)		0,4	0,4
	US	weekly	Initial jobless claims ('000)		295	289
	US	weekly	Continued claims ('000)		2 500	2 518

Source: Reuters, OTP Research

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