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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 641	↓ -0,54	↑ 0,80
S&P500	2 028	↓ -0,81	↑ 0,38
Nasdaq100	4 170	↓ -1,03	↑ 0,22
Russell2000	1 180	↓ -0,47	↑ 1,62
Stoxx600	340	↑ 0,57	↑ 1,76
DAX	9 782	↑ 1,38	↑ 3,26
FTSE 100	6 501	↑ 0,00	↑ 1,31
CAC40	4 228	↑ 1,18	↑ 2,84
ATX	2 145	↓ -0,11	↑ 0,79
IBEX35	9 798	↑ 0,81	↓ -1,96
Nikkei 225	17 088	↓ -0,64	↑ 1,21
Hang Seng	24 201	↑ 0,73	↑ 3,05
SSEC	3 230	↑ 0,04	↓ -3,61
SENSEX	27 585	↑ 0,46	↓ -0,60
RTS	757	↓ -3,32	↓ -0,61
Bovespa	48 140	↓ -1,43	↑ 0,29

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1840	↑ 0,06	↓ -0,40
EUR/CHF	1,2007	↓ -0,01	↓ -0,01
USD/GBP	1,5170	↑ 0,08	↑ 0,13
USD/JPY	118,52	↑ 0,17	↑ 0,11
AUD/USD	0,8167	↑ 0,13	↑ 1,03
USD/CAD	1,1955	↓ -0,14	↑ 1,01

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	19,6	↑ 2,1	↓ -0,3
CDS 5Y PIIS	20	↓ -0,2	↑ 8,7
CDS 5Y Italy	104	↑ 0,7	↑ 10,8
CDS 5Y Belg.	118	↑ 0,0	↑ 2,2
iTraxx 5Y EU	38,4	↓ -1,1	↓ -2,0
US TED Spread	61,7	⇒ 0,0	↓ -1,2

Source: Reuters, OTP Research

Summary

- Monday started well in Europe, but the falling oil price soured the sentiment here and there.
- This morning Brent crude oil's price dropped further, to near 45 USD/barrel.
- The EUR/USD stayed flat; the pair has been oscillating near 1.18 since the dollar's drop on Friday.

Europe's stock markets started the week brightly, but only the indices of Germany and France could preserve the morning's decent gains. Lacking macroeconomic or market-moving news, the oil price's continued fall had the strongest impact on Monday's trading. The sinking price of Brent and WTI (to nearly USD 45 this morning) put energy companies under pressure in both the USA and London. Chevron contracted by 2.0%, and Exxon Mobil slipped 1.9% in New York; the IT sector was also sold. On the other hand, investors in Frankfurt were very optimistic: 27 of the 30 components helped the DAX advance 1.4%.

The earnings season began in the USA: after market close, Alcoa released better figures than analysts had expected. The aluminium manufacturer reported USD 268 million Q4 net profit (the business operated in the red a year earlier); its revenues jumped by 14% in a year. Its earnings per share without one-off items was 28 cents, instead of the expected 33 cents. The management expects demand for aluminium to grow by 7% this year.

Crude oil price fell deeper: both Brent and West Texas Intermediate were near 45 USD/barrel this morning. The Brent seems to descend from the stop at USD 50 (similar patterns were seen before). The continuation of the downward moves may bring the USD 37.5 mark, which proved to be the end-point of the huge price fall in 2008, within reach – back then, oil price plunged to this level from near USD 150 within six weeks. The current decline began from USD 115 in July 2014.

Simultaneously with the fall in the oil price, the rouble is losing value; this morning the USD/RUB jumped to 65, a mark last seen in mid-December. The Russian currency has lost over 10% year to date.

This morning Asia's indices ended mixed. Europe also lacked a single direction, with less than 1% moves in either direction. Moscow's RTS index stood 3.2% in the red.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,55	↓	-2	↓	-11
US 10Y	1,91	↓	-6	↓	-13
JP 2Y	-0,03	↓	-3	↓	0
JP 10Y	0,27	↑	27	↓	-4
GER 2Y	-0,11	↓	-1	↓	-2
GER 10Y	0,49	↓	-1	↓	-1

CENTRAL BANKS' RATES

	Rate (%)		6M Consensus		1Y Consensus
Fed Funds	0,25	↑	0,375	↑	1,00
ECB Rate	0,05	→	0,05	→	0,05
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	0,25	↑	0	↓	0
US 2Y Swap	0,74	↓	-1	↓	-8
US 5Y Swap	1,50	↑	1	↓	-8
EUR 3M Euribor	0,07	↑	0	↓	0
EUR 2Y Swap	0,15	↓	-1	↓	-1
EUR 5Y Swap	0,33	↓	-1	↓	0
GB 3M Libor	0,56	↑	0	↓	0
GB 2Y Swap	0,84	↓	-1	↑	1
GB 5Y Swap	1,25	↑	2	↑	3
JP 3M Libor	0,10	↓	-1	↓	-1
JP 2Y Swap	0,13	↑	1	↑	1
JP 5Y Swap	0,22	↑	2	↑	3
CHF 3M Libor	-0,12	↓	-1	↓	-5
CHF 2Y Swap	-0,22	↓	-1	↓	-4
CHF 5Y Swap	-0,06	↓	0	↓	-6

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	45,9	↓	-3,29	↓	-10,23
Gold	1 236	↑	0,21	↑	1,43

Source: Reuters, OTP Research

China's foreign trade fared better in December than had been thought. Today's important publications include the December reading of consumer prices index in the United Kingdom, which is likely to have fallen meaningfully since November, in line with the broad trend.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday			no data			
Tuesday	UK	Dec	CPI (YoY, %)		0,7	1,0
	US	Dec	Federal budget balance (monthly, USD bn)		3,0	-56,8
	CN	Dec	Export (YoY, %)	9,7	6,8	4,7
	CN	Dec	Import (YoY, %)	-2,4	-7,4	-6,7

Source: Reuters, OTP Research

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