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Daily Report – Global Markets



STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 598	↓ -0,52	↑ 1,43
S&P500	2 098	↓ -0,28	↑ 1,75
Nasdaq100	4 580	↓ -0,18	↑ 1,36
Russell2000	1 232	↓ -0,56	↑ 0,59
Stoxx600	399	↑ 0,77	↑ 2,71
DAX	11 444	↑ 1,19	↑ 2,28
FTSE 100	6 689	↓ -0,11	↑ 2,94
CAC40	5 121	↑ 0,75	↑ 3,15
ATX	2 499	↓ 0,00	↑ 1,79
IBEX35	11 266	↑ 0,76	↑ 0,32
Nikkei 225	20 520	↓ -0,14	↑ 0,94
Hang Seng	24 456	↑ 0,18	↓ -0,19
SSEC	3 719	↑ 2,65	↑ 1,52
SENSEX	28 132	↓ -0,19	↓ -0,60
RTS	835	↓ -2,79	↑ 2,20
Bovespa	50 138	↓ -1,43	↑ 4,37

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0949	↓ -0,35	↓ -0,92
EUR/CHF	1,0610	↓ -0,05	↓ -0,34
USD/GBP	1,5584	↓ -0,24	↓ -0,16
USD/JPY	123,89	↓ -0,10	↑ 0,28
AUD/USD	0,7378	↑ 1,29	↑ 0,60
USD/CAD	1,3134	↓ -0,13	↑ 1,67
USD/RUB	63,53	↓ -0,05	↑ 6,11

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,6	↑ 0,4	↓ -3,0
CDS 5Y PIIS	13	↓ -0,3	↑ 1,4
CDS 5Y Italy	93	↓ -0,2	↑ 2,0
CDS 5Y Belg.	104	↑ 0,1	↑ 0,9
iTraxx 5Y EU	31,8	↑ 0,4	↓ -1,3
US TED Spread	62,4	→ 0,0	↓ -2,0

Source: Reuters, OTP Research

Summary

- Investor sentiment was benign in Western Europe but the Athens index fell 16% on its first trading day in five weeks.
- US markets dropped, with energy firms, commodity producers and technology names seeing the biggest losses.
- The price of crude fell 5%, owing to factors influencing demand and consumption.

Greece's stock market resumed trading after a five-week suspension yesterday; the Athens index opened 23% lower, before a correction came, and it closed with 16% loss. Banking shares were hit the hardest, with Piraeus Bank and the National Bank of Greece sinking 30% in the red at one point on Monday. Greece's purchasing managers' index did not exactly benefit investor sentiment as the manufacturing PMI sank to a record low of 30 in July, down from 46.9 in June. The negative mood on Greece's stock exchange did not spread onto Western Europe's stock markets, where the impressive corporate reports and economic indicators counterbalanced the Greek stock market's slump. The Stoxx600 index advanced 0.8%, France's CAC40 added 0.8%, and the DAX rose by 1.2%. Commodity producers' ordeals continued; the falling commodity prices dragged AngloAmerican's stock price further down. Commodity producers were the worst performers of the Stoxx600's 19 sector indices. This morning AXA and BMW published their earnings reports. The insurance company's profit figures have beaten expectations, and its management is optimistic about this year's outlook. BMW failed to deliver good news; its revenue contracted in China, its biggest market, and its EBIT dropped by 3% year/year in the second quarter. The car manufacturer's share price reversed 2.5% this morning. European indices opened lower this morning.

America's key indices ended Monday's trading lower yesterday. The Dow slipped 0.5%, the S&P500 shed 0.3%, the NASDAQ100 dipped 0.2%, and the Russell2000 lost almost 0.6%. Five of the S&P's ten sector indices went down; the energy sector was one of the losers of the day, as the crude's price fell. The Brent oil fell 5% yesterday as China's manufacturing PMI deteriorated while, on the production side, Iran is planning to bolster production. Commodity producers and the technology sector also suffered losses yesterday. The tech sector may have been dragged down by Apple's 2.4% slump yesterday – the most recent statistics reveal that the giant has 12% market share in mobile phone sales on its key market, China, right after Xiaomi and Huawei. Utility companies were the winners on Monday, and airline companies also benefited from lower oil prices. A number of earnings reports are due out in the USA today, including those of Kellogg, Office Depot, the Sprint mobile telephone company, and Walt Disney. According to a Bloomberg poll, market analysts expect S&P-listed companies to report 2.8% lower profit, in a considerable improvement from the earlier survey that had predicted more than 6% contraction.

Asia's stock markets closed mixed this morning. In the latest effort to prevent the country's equity market from falling further, China's economic leaders decided to ban intraday short-selling.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,67	↓	0	↑	1
US 10Y	2,14	↓	-6	↓	-8
JP 2Y	0,01	↑	0	↑	1
JP 10Y	0,42	↑	2	↑	1
GER 2Y	-0,23	↑	1	↓	-1
GER 10Y	0,65	↑	0	↓	-4

CENTRAL BANKS' RATES

	Rate (%)		6M Consensus		1Y Consensus
Fed Funds	0,25	↑	0,5	↑	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	-0,75	→	-0,75	→	-0,75

MONEY MARKET

	Rate (%)		Daily chg (bp)		Weekly chg (bp)
US 3M Libor	0,00	↑	1	↑	2
US 2Y Swap	0,89	↑	2	↑	1
US 5Y Swap	1,63	↑	1	↓	-6
EUR 3M Euribor	-0,02	→	0	↓	0
EUR 2Y Swap	0,08	↓	0	↓	-2
EUR 5Y Swap	0,38	↓	-2	↓	-3
GB 3M Libor	0,00	↑	0	↑	0
GB 2Y Swap	0,00	↑	2	↓	-1
GB 5Y Swap	0,00	↓	-1	↓	-2
JP 3M Libor	0,00	↓	0	↑	0
JP 2Y Swap	0,12	↓	0	↓	-1
JP 5Y Swap	0,22	↓	-1	↓	-2
CHF 3M Libor	0,00	↑	0	→	0
CHF 2Y Swap	-0,74	↓	-2	↓	-3
CHF 5Y Swap	-0,33	→	0	↑	1

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	49,7	↑	0,38	↓	-6,74
Gold	1 088	↑	0,17	↓	-0,67

Source: Reuters, OTP Research

The USA published important macroeconomic data yesterday: personal income and spending statistics matched predictions. The manufacturing index was lower than expected, and the growth in construction spending also missed forecasts. The July reading of vehicle sales has beaten expectations.

In today's releases, nationwide house price index will be out in the United Kingdom, and factory orders statistics will see the light of day in the USA.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	US	Jun	Personal income (mom, %)	0,4	0,4	0,5
	US	Jun	Personal consumption (mom, %), SA	0,2	0,2	0,9
	US	Jun	Construction spending (mom, %)	0,1	0,6	0,8
	US	Jul	ISM Manufacturing PMI (points)	52,7	53,5	53,5
	US	Jul	Total vehicle sales (monthly, mn)	17,6	17,3	17,2
Tuesday	EZ	Jun	Producer prices (yoy, %)		-2,2	-2
	GB	Jul	Nationwide home price index (yoy, %)	3,5	3,5	3,3
	US	Jun	Factory orders (mom, %)		1,8	-1,0

Source: Reuters, OTP Research

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