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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 600	↑ 1,40	↑ 0,65
S&P500	1 978	↑ 1,28	↑ 0,44
Nasdaq100	4 360	↑ 1,20	↑ 1,32
Russell2000	1 166	↑ 1,08	↑ 1,55
Stoxx600	356	↑ 0,79	↓ -1,50
DAX	10 188	↑ 0,56	↓ -1,36
FTSE 100	6 138	↑ 0,87	↓ -1,00
CAC40	4 569	↑ 1,13	↓ -1,74
ATX	2 272	↑ 0,49	↓ -0,94
IBEX35	9 783	↑ 0,89	↓ -1,72
Nikkei 225	18 172	↑ 0,81	↓ -3,19
Hang Seng	21 650	↑ 0,91	↓ -2,17
SSEC	2 989	↓ -0,55	↓ -7,85
SENSEX	25 849	↑ 0,56	↓ -0,60
RTS	808	↓ -0,13	↑ 1,84
Bovespa	47 364	↑ 0,17	↑ 1,29

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1266	↓ -0,46	↑ 0,67
EUR/CHF	1,0972	↑ 0,12	↑ 0,45
USD/GBP	1,5341	↓ -0,54	↓ -0,14
USD/JPY	120,15	↓ -0,22	↓ -0,27
AUD/USD	0,7135	↓ -0,08	↑ 1,73
USD/CAD	1,3236	↓ -0,08	↓ -0,14
USD/RUB	66,63	↓ -0,28	↓ -2,64

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	22,5	↓ -1,7	↓ -2,4
CDS 5Y PIIS	23	↑ 0,5	↓ -0,6
CDS 5Y Italy	94	↓ -0,4	↓ -2,4
CDS 5Y Belg.	99	↓ -0,1	↓ -0,9
iTraxx 5Y EU	29,1	↑ 1,1	↓ -1,3
US TED Spread	71,8	⇒ 0,0	↓ -2,5

Source: Reuters, OTP Research

Summary

- The major indices of the world ground higher but China's stock markets extended their losses.
- Statistics on Europe's car manufacturing industry are cheering.
- US government securities' yields rose by 8-9 basis points.

In Tuesday morning's cautious investor sentiment, Europe's stock markets oscillated in a narrow range but most of them picked up when US markets opened. The DAX upped by 0.6% by the end of trading, despite E.ON's and RWE's nose-diving 7-8% at one point in the morning. The two energy stocks fell because, according to Spiegel Online's sources, they must set aside additional EUR 30 billion for a nuclear waste storage plant. The DAX's gain was driven by the advance of car manufacturers, despite the worse-than-expected ZEW economic sentiment index. Car sales soared almost 10% in August since the same period of the previous year, the European Automobile Manufacturers' Association said this morning. Elsewhere in Europe, the Stoxx 600 added 0.8%, the CAC40 increased by 1.13%, and the FTSE 100 closed 0.9% higher. In the USA, the Dow Jones upped 1.4%, the S&P500 climbed 1.3% higher, and the Nasdaq100 gained 1.2%.

Despite the gains in Europe and the USA, the negative sentiment in Asia continued. China's SSEC plunged almost 3.5% yesterday and stood 0.5% lower this morning. Yesterday's losses are chiefly attributed to the worse-than-expected production data, and to forecasts predicting further worsening in the figures. Nikkei stood 0.8% higher, and the Hang Seng was seen gaining 0.9% before the close this morning.

The Fed's looming rate decision has left its mark on the Brent. The crude was traded in a narrow range throughout Tuesday, and closed practically flat, but this morning it crept 2.6% higher. The price of gold dropped 0.4% yesterday, and edged 0.1% higher this morning.

In sync with the up moves on global markets, US government securities' yields rose by 8-9 basis points at the short and long ends of the curve.

The USD weakened almost 0.5% versus the euro, and gained near 0.2% against the JPY.

GOV'T BOND MARKET				
	Yield (%)	Daily chg (bp)	Weekly chg (bp)	
US 2Y	0,80	↑ 8	↑ 6	
US 10Y	2,27	↑ 9	↑ 9	
JP 2Y	0,02	↑ 0	↑ 1	
JP 10Y	0,38	↑ 2	↑ 1	
GER 2Y	-0,23	↓ -1	→ 0	
GER 10Y	0,65	↓ 0	↓ -2	

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	0,34	↑ 0	↑ 1	
US 2Y Swap	0,89	↓ -1	↑ 4	
US 5Y Swap	1,60	↓ -3	↑ 5	
EUR 3M Euribor	-0,04	↑ 0	↓ 0	
EUR 2Y Swap	0,08	↑ 0	↑ 0	
EUR 5Y Swap	0,42	↑ 6	↑ 5	
GB 3M Libor	0,00	↑ 0	↑ 0	
GB 2Y Swap	0,00	↑ 2	↑ 1	
GB 5Y Swap	0,00	↑ 1	↑ 0	
JP 3M Libor	0,00	↓ 0	↓ 0	
JP 2Y Swap	0,10	↑ 1	↑ 1	
JP 5Y Swap	0,20	↑ 1	↑ 0	
CHF 3M Libor	0,00	↑ 0	→ 0	
CHF 2Y Swap	-0,65	↑ 2	↑ 4	
CHF 5Y Swap	-0,31	↑ 3	↑ 6	

COMMODITIES				
	Close	Daily chg. (%)	Weekly chg. (%)	
Oil Brent	47,9	↑ 2,62	↑ 0,57	
Gold	1 105	↑ 0,01	↓ -0,06	

Source: Reuters, OTP Research

Germany's ZEW economic sentiment index for September, at 12.1, was less than in the previous month and it undershot analysts' consensus. The worse-than-expected reading reflected the August pessimism on stock markets. The UK's consumer price index flat-lined in August from the same month of the previous year, and it inched up 0.2% from July. The USA published a raft of important data yesterday. The September gauge of the New York Fed manufacturing index, at -14.67, has beaten analysts' predictions. Retail sales lagged behind forecasts, rising 0.2% year/year in August. Industrial production shrank 0.4% in one month, slightly missing analysts' prediction of 0.2%. Capacity utilization was 77.6% in August, just short of economists' 77.8% forecast. Manufacturing output expanded by 1.4% since the same month of 2014. Business inventories were at 0.1% in July, in matching analysts' expectations.

The UK is to release unemployment data today. In the USA, the NAHB home price index and inflation data will see the light of day. The Fed's two-day rate-setting meeting commences today.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS	
Tuesday	DE	Sep	ZEW Economic Sentiment (points)	12,1	18,5	25,0	
	GB	Aug	CPI (yoy, %)	0	0,0	0,1	
	US	Sep	New York Fed Manufacturing index (points)	-14,67	-0,8	14,9	
	US	Aug	Retail sales (mom, %)	0,2	0,3	0,6	
	US	Aug	Industrial output (mom, %)	-0,4	-0,2	0,6	
	US	Aug	Capacity utilization (%)	77,6	77,8	78,0	
	US	Aug	Manufacturing output (mom, %)	-0,5	-0,3	0,8	
	US	Aug	Business inventories (mom, %)	0,1	0,1	0,8	
	Wednesday	UK	Aug	Unemployment (%)		5,6	5,6
		US	Aug	CPI (yoy, %)		0,2	0,2
US		Aug	core CPI (yoy, %)		1,9	1,8	
US		Aug	CPI (mom, %)		0	0,1	
US		Aug	core CPI (mom, %)		0,1	0,1	
US		Aug	NAHB Housing Market Index (points)		61	61	

Source: Reuters, OTP Research

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