

Treasury Sales Team

Headquarter Treasury Sales

Alexandru Tibuleac
0372 31 85 85
alexandru.tibuleac@otpbank.ro

Cristian Ilie
0372 31 85 86
ilie.cristian@otpbank.ro

Corina Bejan
0372 31 85 84
corina.bejan@otpbank.ro

Alina Gheorghita
0372 31 85 83
alina.gheorghita@otpbank.ro

Andreea Nica
0755 000 106
andreea.nica@otpbank.ro

Regional Treasury Sales

Szilamer Kozma - Cluj
0755 000 400
szilamer.kozma@otpbank.ro

Tudor Zaman - Bucuresti
0755 000 199
tudor.zaman@otpbank.ro

Laura Sirbu - Bucuresti
0729 963 540
laura.sirbu@otpbank.ro

Alexandru Sabin - Arad
0730 577 959
alexandru.sabin@otpbank.ro



Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 483	↑ 1,38	↓ -1,40
S&P500	2 053	↑ 1,49	↓ -1,22
Nasdaq100	4 565	↑ 1,41	↓ -1,93
Russell2000	1 156	↑ 0,83	↓ -2,66
Stoxx600	371	↑ 0,30	↓ -1,39
DAX	10 713	↑ 0,05	↓ -0,95
FTSE 100	6 146	↑ 0,46	↓ -2,36
CAC40	4 804	↓ -0,08	↓ -2,18
ATX	2 402	↑ 0,15	↓ -3,01
IBEX35	10 125	↑ 0,13	↓ -1,94
Nikkei 225	19 631	↑ 1,22	↓ -0,21
Hang Seng	22 318	↑ 1,40	↓ -0,37
SSEC	3 605	↓ -0,06	↓ -0,98
SENSEX	25 771	↑ 0,04	↓ -0,60
RTS	824	↑ 1,13	↓ -3,64
Bovespa	46 847	↑ 0,71	↑ 1,41

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0684	↓ -0,87	↓ -0,65
EUR/CHF	1,0787	↓ -0,35	↓ -0,05
USD/GBP	1,5198	↓ -0,22	↑ 0,54
USD/JPY	123,38	↑ 0,19	↑ 0,21
AUD/USD	0,7074	↓ -0,28	↑ 0,64
USD/CAD	1,3337	↑ 0,07	↑ 0,47
USD/RUB	65,47	↑ 0,25	↑ 1,66

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	18,2	↓ -1,9	↑ 1,6
CDS 5Y PIIS	18	↑ 0,1	↑ 9,5
CDS 5Y Italy	96	↑ 0,4	↓ -0,9
CDS 5Y Belg.	88	↑ 0,0	↑ 0,3
iTraxx 5Y EU	26,1	↑ 1,5	↑ 3,7
US TED Spread	74,3	⇒ 0,0	↓ -0,3

Source: Reuters, OTP Research

Summary

- Airline, travel and hotel companies' stock fell in Europe and the USA in the aftermath of the Paris terror attacks.
- US markets achieved gains, with the energy, consumption, and defence industry names pushing indices higher. The dollar extended its gains versus the euro.

In the wake of the Paris terror attacks, Europe's stock markets opened pessimistically on Monday. The travel industry's stocks were hit particularly hard, but the rally in the energy sector counterbalanced their fall. The Stoxx600 index advanced 0.3%, paring down the 0.8% earlier loss. Most stock indices in Europe booked crept higher by Monday evening. The French CAC40's eight basis-point drop was an exception; it briefly sank 1.2% in the red and pierced to 0.3% in positive territory earlier on Monday. Of the CAC40's companies, one of the biggest losers was the Accor hotel chain (-4.7%). Air France-KLM decreased by 5.7%, Aeroports de Paris was down 3.7%, and Groupe Eurotunnel dropped 3%. Thales, the manufacturer of radars and electronics jumped 3.3% higher. A recent analysis by the international organization that has developed the Global Terrorism Index, IEP, found that the damage terror attacks caused to the economy exceeded USD 53 billion in 2014, and hit its highest since 11 September 2001. This estimate takes into account the costs of restoration and medical care as well as the lost income, but excludes the higher costs of security, insurance and other economic consequences after the terror attacks.

US stock markets appeared more resilient than their European peers, and the leading indices ended a day of dynamic growth. The energy sector, which ailed last week but was the strongest sector index in the S&P yesterday, has fuelled growth, surging 3.3%. Chevron soared 3.5%, and Exxon rallied 3.6%. Consumer staples and utilities also fared well. Wal-Mart added 2.6%, and Procter&Gamble climbed 1.8% higher. Industrials were boosted by defence companies, the attacks in Paris increased demand for the sector's stocks. Flir Systems, the manufacturer of thermal imaging cameras jumped 10% higher, marking the best performance in the S&P500. Stock in Raytheon, a defence company, skyrocketed 4.1% to a new high, Northrop Grumman marched 4.4% higher, and Lockheed Martin went up 3.5% in Monday's trading. The tech sector had a good day too: advancing 2.2% made Cisco Systems one of the brightest stars of the Dow. Airlines and hotel chains had a bad day in the USA too, American Airlines shed 1.4%, and a selloff hit travel companies too. The Starwood hotel chain plunged 3.6% on the announcement that Marriott will (+1.4%) buy it for USD 12.2 billion.

Asia's stock indices closed mixed this morning. China's oil companies and Japan's Toyota excelled following reports about the latter's global competitor Volkswagen, which may have more petrol-fuelled models involved in the emission data scandal than had been thought.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,86	↑	4	↓	-3
US 10Y	2,28	↑	3	↓	-7
JP 2Y	0,00	↑	0	↓	0
JP 10Y	0,31	↑	1	↓	-3
GER 2Y	-0,38	↓	-3	↓	-10
GER 10Y	0,54	↓	-7	↓	-15

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	↑	0	↑	2
US 2Y Swap	0,92	↑	2	↓	-2
US 5Y Swap	1,58	↑	1	↓	-7
EUR 3M Euribor	-0,09	↓	0	↓	-1
EUR 2Y Swap	-0,08	↑	1	↓	-1
EUR 5Y Swap	0,23	↑	2	↓	-2
GB 3M Libor	0,00	→	0	↓	0
GB 2Y Swap	0,97	↓	-2	↓	-1
GB 5Y Swap	1,49	↓	-3	↓	-10
JP 3M Libor	0,00	↓	0	↓	-1
JP 2Y Swap	0,08	↓	0	↓	-1
JP 5Y Swap	0,15	↓	0	↓	0
CHF 3M Libor	0,00	↓	-1	↓	-3
CHF 2Y Swap	-0,94	↓	-1	↓	-4
CHF 5Y Swap	-0,63	↑	3	↑	1

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	44,6	↑	0,16	↓	-5,92
Gold	1 078	↓	-0,41	↓	-1,06

Source: Reuters, OTP Research

The New York Fed's November manufacturing index, published on Monday, was vastly weaker than had been anticipated, but it signified a slight improvement from last month. The USA will release inflation statistics, industrial and manufacturing data today.

Germany will publish the ZEW economic sentiment index today, which is expected to show a major improvement from last month.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	JP	Q3	GDP (flash, qoq, %)	-0,2	-0,1	-0,3
	EZ	Oct	CPI (mom, %)	0,1	0,1	0,2
	US	Nov	New York Fed Manufacturing PMI (point)	-10,7	-6,0	-11,4
Tuesday	DE	Nov	ZEW Economic Sentiment (points)		6,0	1,9
	GB	Oct	CPI (mom, %)		0,1	-0,1
	US	Nov	CPI (mom, %, SA)		0,2	-0,2
	US	Nov	CPI (mom, %, SA)		0,2	0,2
	US	Nov	Industrial output (mom, %)		0,1	-0,2
	US	Nov	Capacity Utilization (%)		77,5	77,5
	US	Nov	Manufacturing output (mom, %)		0,2	-0,1

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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