

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	17 425	↓ -1,02	↓ -0,72
S&P500	2 044	↓ -0,94	↓ -0,83
Nasdaq100	4 593	↓ -1,26	↓ -0,68
Russell2000	1 136	↓ -1,20	↓ -1,63
Stoxx600	366	↓ -0,51	↓ -0,13
DAX	10 743	↓ -1,08	↑ 0,14
FTSE 100	6 242	↓ -0,51	↓ -0,20
CAC40	4 637	↓ -0,86	↓ -0,56
ATX	2 397	↑ 0,03	↓ -0,18
IBEX35	9 544	↓ -1,01	↓ -1,43
Nikkei 225	18 451	↓ -3,06	↓ -2,24
Hang Seng	21 314	↓ -2,74	↓ -2,76
SSEC	3 297	↓ -6,85	↓ -6,71
SENSEX	25 771	↓ -1,49	↓ -0,60
RTS	757	↓ -1,64	↓ -3,62
Bovespa	43 350	↓ -0,70	↓ -1,51

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0858	↓ -0,02	↓ -0,71
EUR/CHF	1,0879	↓ -0,06	↑ 0,08
USD/GBP	1,4743	↑ 0,03	↓ -0,89
USD/JPY	119,40	↓ -0,75	↓ -0,81
AUD/USD	0,7206	↓ -1,23	↓ -0,55
USD/CAD	1,3906	↑ 0,42	↑ 0,01
USD/RUB	73,46	↑ 0,80	↑ 1,62

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	18,2	↑ 0,9	↑ 2,6
CDS 5Y PIIS	18	↓ -2,6	↓ -2,5
CDS 5Y Italy	85	↓ -3,0	↓ -3,0
CDS 5Y Belg.	86	↑ 0,3	↑ 0,3
iTraxx 5Y EU	24,6	↑ 0,6	↑ 0,2
US TED Spread	79,2	→ 0,0	↑ 5,2

Source: Reuters, OTP Research

Summary

- The key indices of Europe and America suffered losses on the last trading day of 2015.
- This morning's trading in China was suspended owing to the strong selling pressure.
- As opposed to the expected growth, the Chinese manufacturing PMI sank in December, bringing painful losses to Asia's markets.

Negative sentiment ruled European markets on the last trading day of the year. The falling commodity prices sent industrial and export-led sectors' shares on a downhill ride. The DAX sank 1%, and the CAC40 shed 0.5% on 30 December, the last trading day of 2015. The DAX gained 9.56% in 2015, while the CAC40 advanced 9.5% since end-2014. The London stock exchange was open on 31 December, and lost 0.5%. The FTSE closed almost 5% lower than at the end of 2014.

The key indices of the USA also slid on the last trading day of 2015. In Thursday's shortened trading, the benchmarks dropped near 1%. The unsupportive mood can be put down to the slump in commodity – mainly oil – prices. Apple was one of the losers of 2015 – its share price closed at USD 105.26, which is 4.6% less than its closing price was at the end of 2014. The company has not ended any year with negative performance since 2008, when it plunged 56.91% in a year.

Oil prices declined on the last days of 2015. On 31 December, the WTI oil ended at USD 37, while the Brent traded at 37.4 USD/barrel. On the whole, 2015 was a rather weak year for oil. There is significant oversupply on its market, owing to the jump in America's shale oil production, and the ailing demand from China. The problems caused by global oversupply may keep the price of oil under pressure for quite a while, analysts opine, and a growing number of voices predict below-30-dollar price levels.

The first trading day of the new year was far from enthusiastic on Asia's markets. Seeing this morning's release of worse-than-expected macroeconomic data from China, investors adopted risk-off behaviour. Asia's indices posted hefty losses this morning. After the release of Chinese statistics, the Shanghai Composite fell more than 7%, and the Hang Seng dropped 3%. Owing to the strong selling pressure on Chinese markets, trading was suspended. Japan's stock indices also fell: the Nikkei was down 3%, and the TOPIX slumped 2.4% on the first trading day of the year.

GOV'T BOND MARKET				
	Yield (%)	Daily chg (bp)	Weekly chg (bp)	
US 2Y	1,07	↓ -1	↑ 7	
US 10Y	2,29	↓ -1	↑ 4	
JP 2Y	-0,01	↓ 0	↓ 0	
JP 10Y	0,27	↓ -1	↓ -1	
GER 2Y	-0,33	↔ 0	↑ 1	
GER 10Y	0,64	↔ 0	↑ 5	
CENTRAL BANKS' RATES				
	Rate (%)	6M Consensus	1Y Consensus	
Fed Funds	0,5	↑ 0,75	↑ 1,25	
ECB Rate	0,05	↔ 0,05	↔ 0,05	
BOE Rate	0,50	↑ 0,75	↑ 1,00	
BOJ Rate	0,00	↑ 0,10	↑ 0,10	
SNB Target	-0,75	↔ -0,75	↔ -0,75	
MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
US 3M Libor	0,61	↑ 1	↑ 2	
US 2Y Swap	1,14	↓ -1	↑ 3	
US 5Y Swap	1,68	↓ -3	↓ 0	
EUR 3M Euribor	-0,13	↑ 0	↔ 0	
EUR 2Y Swap	-0,04	↓ 0	↓ -1	
EUR 5Y Swap	0,33	↓ 0	↑ 1	
GB 3M Libor	0,59	↑ 0	↑ 0	
GB 2Y Swap	1,09	↓ 0	↑ 0	
GB 5Y Swap	1,58	↓ -1	↑ 5	
JP 3M Libor	0,08	↑ 0	↑ 0	
JP 2Y Swap	0,10	↑ 1	↑ 0	
JP 5Y Swap	0,15	↓ -1	↓ 0	
CHF 3M Libor	-0,76	↑ 1	↑ 2	
CHF 2Y Swap	-0,65	↔ 0	↑ 8	
CHF 5Y Swap	-0,33	↔ 0	↑ 3	
COMMODITIES				
	Close	Daily chg. (%)	Weekly chg. (%)	
Oil Brent	37,9	↑ 1,74	↑ 0,11	
Gold	1 070	↑ 0,87	↑ 0,08	

Source: Reuters, OTP Research

The Caixin manufacturing PMI signifies continuing deterioration of China's business processes: the purchasing managers' index fell from 48.6 in November to 48.2 in December. This is the tenth month in row when the index is below the 50 mark that separates growth from contraction. Analysts had expected the index to rise to 49.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday			No data			
Monday	CN	Dec	Caixin Mfg PMI (point)	48,2	49,0	48,6
	DE	Dec	CPI (yoy, %)		0,6	0,4
	DE	Dec	Markit Mfg PMI (final, point)		53,0	53,0
	US	Nov	Construction spending (mom, %)		0,7	1,0
	US	Dec	Markit Mfg PMI (final, point)		-	51,3
	US	Dec	ISM Mfg PMI (point)		49	48,6

Source: Reuters, OTP Research

Chief Economist
Gergely Tardos
tardosg@otpbank.hu
+36 1 374 7273

Fundamental Analyst
Piroska Beáta Balogh
szabopb@otpbank.hu
+36 1 374 7276

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