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Daily Report – Global Markets



STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 016	↑ 0,17	↓ -3,03
S&P500	1 881	↑ 0,05	↓ -2,96
Nasdaq100	4 147	↑ 0,14	↓ -4,31
Russell2000	995	↓ -1,28	↓ -1,52
Stoxx600	333	↑ 1,31	↓ -3,00
DAX	9 664	↑ 1,50	↓ -3,22
FTSE 100	5 877	↑ 1,68	↓ -0,88
CAC40	4 272	↑ 1,97	↓ -2,43
ATX	2 114	↑ 2,11	↓ -4,61
IBEX35	8 555	↑ 1,01	↓ -4,04
Nikkei 225	16 416	↓ -3,71	↓ -7,33
Hang Seng	18 949	↓ -3,50	↓ -4,94
SSEC	2 977	↓ -1,03	↑ 0,92
SENSEX	24 037	↓ -1,81	↓ -0,60
RTS	660	↑ 2,07	↓ -5,04
Bovespa	38 057	↑ 0,32	↓ -3,69

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0905	↑ 0,14	↑ 0,74
EUR/CHF	1,0947	↓ -0,02	↑ 0,12
USD/GBP	1,4155	↓ -0,60	↓ -1,74
USD/JPY	116,60	↓ -0,87	↓ -0,90
AUD/USD	0,6850	↓ -0,77	↓ -1,50
USD/CAD	1,4639	↑ 0,43	↑ 2,11
USD/RUB	79,38	↑ 0,75	↑ 3,63

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	26,1	↓ -1,0	↑ 1,8
CDS 5Y PIIS	26	↑ 1,7	↑ 5,0
CDS 5Y Italy	96	↑ 2,6	↑ 6,1
CDS 5Y Belg.	96	↑ 0,9	↑ 0,8
iTraxx 5Y EU	26,0	↓ -1,4	↑ 9,4
US TED Spread	95,5	⇒ 0,0	↓ -4,8

Source: Reuters, OTP Research

Summary

- Europe's stock indices closed with gains yesterday.
- Asia opened with losses today
- The IMF has downgraded its 2016 and 2017 growth forecasts.

Tuesday morning's Chinese GDP data brought positive sentiment on global stock markets, but the enthusiasm did not last long, partly because of the ZEW index, which deteriorated since the previous month. In Europe, the Stoxx600 upped 1.3%, the DAX advanced 1.5%, the CAC40 added 2%, and the FTSE100 closed 1.7% higher. The IMF estimates 2015 global economic growth at 3.1%; it expects 3.4% increase in 2016, and 3.6% expansion in 2017. The Fund lowered its forecasts for 2016 and 2017 by 0.2 percentage points each, mostly because of the deteriorating outlook on emerging markets' growth prospects. Morgan Stanley published its quarterly earnings yesterday. Its revenue beat analysts' expectations by 4.1%, and the EPS topped them by 32%. By contrast, the Bank of America's quarterly performance missed forecasts: its revenue, at USD 19.5 billion undershot the estimated USD 19.86 billion, and its EPS was 26 cents, instead of 28. According to Business Insider's sources, Deutsche Bank expects the S&P500 to grow by at least 5% in the short term, after a poor start to the new year. Deutsche Bank's strategist, David Bianco lowered its 2016 forecast for the S&P500 to 2200, down from 2250.

A number of US-based IT giants published their quarterly earnings yesterday. Netflix posted USD 0.10 EPS, overshooting the forecast USD 0.02, and its share price benefited from the news. In contrast, IBM failed to impress investors; its revenue has been shrinking for 15 quarters in a row, and its EPS, at USD 4.46 missed analysts' expectations and was short of figure posted a year earlier.

Asia's markets opened on a weak note today. The Nikkei fell 3.7%, the Hang Seng plunged 3.5%, and the SSEC closed 1% lower.

Thanks to the GDP data from China, oil prices were 2-3% higher throughout Tuesday morning, but they ended near the opening price. This morning the Brent opened 2.2% lower. The most recent outlook of the International Energy Agency says that owing to Iran's re-entry, thus ultimately the oil market could 'drown in oversupply'. Today Royal Dutch Shell published its quarterly report, with 50% lower profit than a year earlier, owing to the low oil prices.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,87	↑	2	↓	-7
US 10Y	2,06	↑	1	↓	-6
JP 2Y	-0,02	↑	1	↑	1
JP 10Y	0,22	↓	0	↓	0
GER 2Y	-0,39	↓	0	↓	-1
GER 10Y	0,48	↓	0	↓	-6

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	0,10	→	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	↑	0
US 2Y Swap	0,87	↓	-5	↓	-9
US 5Y Swap	1,31	↓	-7	↓	-11
EUR 3M Euribor	-0,14	↓	0	↑	0
EUR 2Y Swap	-0,10	↓	0	↓	-1
EUR 5Y Swap	0,19	↓	-2	↓	-2
GB 3M Libor	0,00	↓	0	→	0
GB 2Y Swap	0,86	↓	-1	↑	0
GB 5Y Swap	1,26	↑	0	↓	-7
JP 3M Libor	0,00	→	0	→	0
JP 2Y Swap	0,08	↓	0	↑	0
JP 5Y Swap	0,13	↓	-1	↓	-1
CHF 3M Libor	0,00	→	0	↓	0
CHF 2Y Swap	-0,74	↑	1	↓	-2
CHF 5Y Swap	-0,46	↑	1	↓	-4

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	28,1	↓	-2,23	↓	-7,23
Gold	1 094	↑	0,63	↑	0,04

Source: Reuters, OTP Research

As expected, China's Q4 GDP grew by 6.8% year on year, marking the weakest quarter since the global crisis. In full year 2015, the Chinese economy expanded by 6.9%, the country's slightest increase since 1990.

China's December retail sales somewhat undershot expectations as the year/year index decelerated to 11.1%. Industrial production slowed further; to 5.9% year/year in December, down from 6.2% in November. Urban investments expanded by 10% in whole year 2015. Germany's harmonized consumer price index matched expectations, while the ZEW investor confidence index was short of the previous month's reading. Inflation in the UK rose faster than had been thought, while the NAHB housing market index in the USA slightly missed expectations.

Today Poland and Slovakia will publish unemployment data; inflation and housing data are due out in the USA. With the earnings reports season in full swing, Goldman Sachs will publish its quarterly figures today.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	CN	Dec	Urban investment (ytd, yoy, %)	10	10,2	10,2
	CN	Dec	Industrial output (yoy, %)	5,9	6,0	6,2
	CN	Dec	Retail sales (yoy, %)	11,1	11,3	11,2
	CN	Q4	GDP (yoy, %)	6,8	6,8	6,9
	CN	Q4	GDP (qoq, SA, %)	1,6	1,7	1,8
	EZ	Dec	Inflation, final (yoy, %)	0,2	0,2	0,2
	DE	Dec	HICP (yoy, %)	0,2	0,2	0,2
	DE	Jan	ZEW Economic Sentiment (points)	10,2	8,2	16,1
	GB	Dec	CPI (yoy, %)	0,2	0,1	0,1
	US	Jan	NAHB Housing Market Index (points)	60	61	61
Wednesday	PL	Dec	Unemploymentrate (%)		9,7	9,6
	SK	Dec	Unemploymentrate (%)		10,75	10,8
	US	Dec	CPI (yoy, %)		0,8	0,5
	US	Dec	CPI (mom, %)		0,0	0,0
	US	Dec	core CPI (yoy, %)		2,1	2,0
	US	Dec	core CPI (mom, %)		0,2	0,2
	US	Dec	Housing starts (annualized monthly, thousands)		1194,0	1173,0
	US	Dec	Building permits (annualized monthly, thousand)		1200,0	1282,0

Source: Reuters, OTP Research

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