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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	15 944	↓ -1,38	↑ 1,13
S&P500	1 883	↓ -1,09	↑ 1,27
Nasdaq100	4 129	↓ -2,48	↓ -0,18
Russell2000	1 003	↓ -1,50	↑ 0,54
Stoxx600	340	↑ 0,31	↑ 5,57
DAX	9 881	↑ 0,59	↑ 5,21
FTSE 100	5 990	↑ 1,33	↑ 5,58
CAC40	4 380	↑ 0,54	↑ 6,19
ATX	2 138	↓ -0,95	↑ 4,63
IBEX35	8 741	↑ 0,56	↑ 5,55
Nikkei 225	17 041	↓ -0,71	↑ 6,39
Hang Seng	19 042	↓ -0,06	↑ 2,69
SSEC	2 698	↓ -1,36	↓ -6,33
SENSEX	24 458	↓ -0,14	↓ -0,60
RTS	705	↑ 3,19	↑ 12,17
Bovespa	38 376	↑ 2,34	↑ 1,94

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0891	↑ 0,20	↑ 0,03
EUR/CHF	1,1056	↑ 0,05	↑ 0,99
USD/GBP	1,4229	↓ -0,84	↑ 0,08
USD/JPY	118,55	↓ -0,09	↑ 0,74
AUD/USD	0,7036	↑ 0,16	↑ 0,57
USD/CAD	1,4113	↑ 0,16	↓ -1,04
USD/RUB	78,25	↑ 0,26	↓ -5,00

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	23,1	↑ 0,6	↓ -4,5
CDS 5Y PIIS	23	↓ -5,3	↓ -1,0
CDS 5Y Italy	95	↓ -6,1	↓ -0,9
CDS 5Y Belg.	95	↑ 2,2	↑ 3,0
iTraxx 5Y EU	29,0	↓ -0,9	↓ -3,6
US TED Spread	91,9	⇒ 0,0	↓ -5,6

Source: Reuters, OTP Research

Summary

- The FOMC meeting left interest rates unchanged; the Fed's communication was more cautious than expected.
- The sentiment in Europe was positive, but US markets suffered losses.
- The Brent's price climbed higher.

In Thursday's positive sentiment on Europe's stock markets, the Stoxx600 upped by 0.3%, the DAX gained 0.6%, the FTSE100 rose by 1.3%, and the CAC40 closed 0.5% higher. Deutsche Bank's earnings reports revealed EUR 2.1 billion loss in Q4, and EUR 6.8 billion loss in full year 2015. The EUR 1.2 billion legal cost and the EUR 0.8 billion restructuring cost largely weighed on its earnings. The revenue of the corporate banking and securities division contracted by 30%, incomes from fees and commissions shrank by 7.5%, while interest income grew by only 1%.

In the USA, stock markets opened on a strong note but the sentiment went sour after the Fed's post-meeting press conference. At the end of Wednesday's trading, the Dow slipped 1.4%, the S&P500 dipped 1.1%, the NASDAQ100 fell 2.5%, and the Russel2000 dropped 1.5%. The Fed Open Market Committee meeting left interest rates unchanged, and the post-meeting statement was more cautious about the economic outlook than had been expected. The Fed expects inflation to remain at low level in the short term, while it expressed concern about money market turbulences and the slow growth. A March rate hike was not ruled out, but analysts find it now less likely.

Asia's stock indices did not excel this morning: the Nikkei225 shed 0.7%, the Hang Seng edged down 0.1%, and the SSEC fell 1.3%.

The Brent oil surged 3.4% yesterday as news leaked out that Russia was prepared to cooperate with OPEC countries to reduce the oversupply on the oil's market.

After the Fed rate decision yesterday, the USD lost 0.2% against the EUR, but the USD/JPY did not move considerably. This morning the USD weakening continued.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,83	↓ -2	↓ 0
US 10Y	2,00	↑ 1	→ 0
JP 2Y	-0,02	→ 0	↓ -2
JP 10Y	0,22	→ 0	↑ 1
GER 2Y	-0,46	↓ -1	↓ -6
GER 10Y	0,44	↓ -1	↓ -8

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	0,89	↑ 0	↑ 1
US 5Y Swap	1,36	↑ 1	↑ 0
EUR 3M Euribor	-0,16	↓ 0	↓ -2
EUR 2Y Swap	-0,14	↑ 0	↑ 1
EUR 5Y Swap	0,12	↓ -1	→ 0
GB 3M Libor	0,00	→ 0	→ 0
GB 2Y Swap	0,87	↑ 1	↓ -1
GB 5Y Swap	1,28	↑ 1	↑ 8
JP 3M Libor	0,00	↓ 0	↓ 0
JP 2Y Swap	0,07	↓ -1	↓ -1
JP 5Y Swap	0,12	↓ -1	↓ -2
CHF 3M Libor	0,00	→ 0	→ 0
CHF 2Y Swap	-0,75	↑ 3	↑ 1
CHF 5Y Swap	0,00	↑ 0	↓ -2

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	32,8	↓ -1,06	↑ 11,97
Gold	1 118	↓ -0,67	↑ 1,49

Source: Reuters, OTP Research

Italy has published confidence indices for January. The business confidence index fell to 103.2 (from 104.1), but the consumer confidence index grew to 118.9, up from 117.6. Germany's February consumer sentiment index, at 9.4, topped analysts' forecast by 0.1 pp.

In an important set of US housing data, new home sales grew to 544,000 in December, up from 490,000 in the previous month, surpassing analysts' 500,000 forecast by a large margin.

Britain's Q4 GDP and Germany's January inflation data are due out today; the USA will publish important economic figures too.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	JP	Nov	Retail sales (yoy, %)	-1,1	-0,1	-1,0
	DE	Feb	GfK Consumer Sentiment (point)	9,4	9,3	9,3
	IT	Jan	Business confidence (point)	103,2	103,9	104,1
	IT	Jan	Consumer confidence (point)	118,9	117,0	117,6
	US	Dec	New home sales (annualized monthly, thousands)	544,0	500,0	490,0
	US	Jan	Interest rate decision (%)	0,25-0,5	0,25-0,5	0,25-0,5
Thursday	JP	Dec	Consumer price index (yoy, %)	-	-	0,3
	JP	Dec	Industrial output (preliminary, mom, %)	-0,3	-0,3	-0,9
	UK	Q4	GDP (preliminary, qoq, %)	0,5	0,5	0,4
	UK	Q4	GDP (preliminary, yoy, %)	1,9	1,9	2,1
	EZ	Jan	European Commission economic sentiment (point)	107	107	107
	DE	Jan	Consumer price index (preliminary, yoy, %)	0,5	0,5	0,3
	US	Dec	Durable goods (mom, %)	-1,0	-1,0	0,0
	US	Dec	Pending home sales (mom, %)	-	-	-0,9

Source: Reuters, OTP Research

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