

# Treasury Sales Team

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# Daily Report – Global Markets

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 042	↑ 0,28	↓ -0,30
S&P500	2 095	↑ 0,16	↓ -0,34
Nasdaq100	4 417	↓ -0,82	↓ -2,73
Russell2000	1 154	↑ 0,30	↑ 1,62
Stoxx600	348	↑ 0,29	↓ -0,69
DAX	10 300	↑ 0,39	↓ -1,17
FTSE 100	6 320	↑ 0,56	↓ -1,41
CAC40	4 559	↑ 0,58	↓ -0,71
ATX	2 330	↑ 0,73	↓ -0,53
IBEX35	9 333	↑ 0,53	↑ 2,03
Nikkei 225	16 666	↓ -3,61	↓ -4,02
Hang Seng	21 417	↑ 0,26	↓ -0,95
SSEC	2 924	↓ -1,00	↓ -0,98
SENSEX	25 847	↓ -0,83	↓ -0,60
RTS	927	↓ -0,44	↓ -1,70
Bovespa	54 478	↑ 2,63	↑ 1,58

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1319	↑ 0,19	↑ 0,51
EUR/CHF	1,0993	↓ -0,05	↓ -0,15
USD/GBP	1,4538	↓ -0,29	↑ 1,52
USD/JPY	108,78	↓ -2,40	↓ -0,60
AUD/USD	0,7627	↑ 0,58	↓ -1,42
USD/CAD	1,2561	↓ -0,29	↓ -1,36
USD/RUB	65,12	↓ -0,12	↓ -2,50

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,8	↓ -0,2	↑ 0,5
CDS 5Y PIIS	14	↓ -0,3	↓ -2,2
CDS 5Y Italy	113	↓ -0,4	↓ -1,6
CDS 5Y Belg.	109	↓ -0,1	↑ 0,4
iTraxx 5Y EU	37,2	↓ -0,6	↑ 0,7
US TED Spread	70,3	→ 0,0	↓ -2,6

Source: Reuters, OTP Research

**Summary**

- The Fed left US interest rates in place; global growth risks are less of a concern for the Fed.
- Slight gains were made on both sides of the Atlantic yesterday, mostly driven by earnings reports.
- Apple's share price fell 6.3% owing to an underwhelming quarterly report.

Western Europe's equity markets climbed higher in Wednesday's trading. Having worked off an earlier 0.4% loss, the Stoxx600 ended the day with 0.3% gain. The Brent's price grew by 3.3%, to beyond USD 47, making the energy sector the engine of growth. The corporate reports of Norway's Statoil and France's Total also surprised on the upside. The former posted surprise profit, and the latter's figures exceeded expectations. The market appreciated both, lifting their share price by 6.1% and 2.8% respectively. The FTSE closed 0.6% higher, supported by energy names' and commodity producers' gains; AngloAmerican surged 4.5%. The DAX upped 0.4%; raising its profit forecast led Adidas' stock price 6% higher. In contrast, Munich Re issued a profit warning and consequently fell almost 4%. In Western Europe the stock market of Spain (+0.5%) benefited from the performance of Banco Santander's (+1.6%) and Aena airport service provider (+1.7%), both owing to better-than-expected earnings. Apparently, investors shrugged off reports on new elections in Spain; for the first time in its democratic history, the country failed to form a government after the elections. Greece's equity market was the loser of the day in Europe; the ASE index fell 2.5%, as the government failed to settle the unresolved issues with the IMF regarding the latter's review. In corporate news, Deutsche Bank's earnings report is due out today.

Ending a day of ebbs and flows, the S&P gained 0.2% yesterday, just like on the previous day. The Dow advanced 0.3%, while the NASDAQ100 fell 0.8%, mostly because of Apple's plunge. At sector level, energy names gained from the USD 45 oil price; utilities also did well, while tech and real property companies were the weakest performers. Energy companies' rally was not impeded by news that US oil inventories hit their highest since 1929. After Tuesday's close, Apple published its earnings figures, which were short of the already pessimistic expectations. As a result, its stock price contracted 6.3% in Wednesday's trading. Apple was also the weakest name within the Dow, dragging the index almost 0.5% down. One in three companies in the S&P500 publish their quarterly report this week; the cheering figures helped eBay (+3.2%), Boston Scientific Corp. (+11.2%), and Mondelez (+3.23) to nice gains. Boeing soared 2.9% even though its profit figures missed market expectations, investors appreciated the massive available cash flow, which wrong-footed pessimists. Facebook also released its report yesterday; the social networking company's revenue and profit have surpassed expectations: the former skyrocketed 52%, and its EPS topped analysts' forecasts by 20%. Facebook shares edged up 0.1% in normal trading hours, but they leapt 9% in after-hours trading. Goodyear Tire & Rubber shrank more than 7% on account of disappointing sales data. A number of earnings reports will see the light today, including those of Altria, Amazon, Dow Chemicals, Juniper Networks, LinkedIn, Raytheon, Virgin America, and Visteon.

Asia's markets opened on a weak note and the sentiment did not ease. The Nikkei fell 3.6% after the Bank of Japan's decision.

**GOV'T BOND MARKET**

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,81	↓ -5	↑ 2
US 10Y	1,85	↓ -8	↑ 1
JP 2Y	-0,23	↑ 3	↑ 3
JP 10Y	-0,06	↑ 4	↑ 7
GER 2Y	-0,49	↑ 1	↑ 2
GER 10Y	0,30	↑ 4	↑ 14

**CENTRAL BANKS' RATES**

	Rate (%)	6M Consensus	1Y Consensus
Fed Funds	0,5	↑ 0,75	↑ 1,25
ECB Rate	0,00	↑ 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	0,90	↓ -3	↓ -3
US 5Y Swap	1,25	↓ 0	↓ -3
EUR 3M Euribor	-0,25	↑ 0	↓ 0
EUR 2Y Swap	-0,17	↓ 0	↓ -1
EUR 5Y Swap	0,04	↓ -3	↑ 1
GB 3M Libor	0,00	→ 0	↑ 0
GB 2Y Swap	0,88	↓ -1	↑ 3
GB 5Y Swap	1,16	↓ -3	↑ 13
JP 3M Libor	0,00	↑ 0	↓ -1
JP 2Y Swap	-0,13	↑ 4	↑ 3
JP 5Y Swap	-0,07	↑ 2	↑ 3
CHF 3M Libor	0,00	→ 0	→ 0
CHF 2Y Swap	-0,73	↓ -3	↑ 2
CHF 5Y Swap	-0,55	↓ -2	↑ 3

**COMMODITIES**

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	46,8	↓ -0,81	↑ 5,10
Gold	1 253	↑ 0,60	↑ 0,38

Source: Reuters, OTP Research

On Wednesday the United Kingdom published GDP data for the first quarter of 2016; economic output grew by 0.4% from the previous quarter, matching expectations. In year/year terms, the economy grew by 2.1%, somewhat more than had been forecast.

The United States released housing statistics yesterday. Pending home sales expanded by 1.4% in March from the previous month, as opposed to the expected slight drop.

A raft of market-moving data will be out in the world's important economies. The Bank of Japan's policy meeting left the benchmark rate at -0.1%, as expected. The news triggered a surge in the yen.

Today the United Kingdom is to publish housing statistics, which are expected to signify further dynamic growth in home prices. Employment data are due out in Germany, and various confidence indices will see the light of day in the eurozone.

The United States will release the weekly employment data and the preliminary Q1 GDP reading. If the forecasts of just 0.6% annualized quarterly growth prove to be right, that would signify further slowing in the economy.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	UK	Q1	GDP (flash, qoq, %)	0,4	0,4	0,6
	UK	Q1	GDP (flash, yoy, %)	2,1	2,0	2,1
	US	Mar	Pending Sales Change (mom, %)	1,4	0,5	3,5
	US	Apr	Fed Funds Target Rate (%)	0,25-0,5	0,25-0,5	0,25-0,5
Thursday	JP	Apr	Bank of Japan, rate decision (%)	-0,1	-0,1	-0,1
	JP	Mar	Household spending (yoy, %)	-5,3	-4,2	1,2
	JP	Mar	Industrial production, preliminary (yoy, %)	3,6	2,9	-5,2
	JP	Mar	Retail sales (yoy, %)	-1,1	-1,5	0,4
	EZ	Apr	Economic Sentiment Index (points)		103,4	103,0
	EZ	Apr	Consumer Confidence Index (points)		-9,3	-9,7
	DE	Apr	Unemployment rate (%)		6,2	6,2
	DE	Apr	CPI (yoy, %)		0,1	0,3
	UK	Apr	Nationwide house price index (yoy, %)	4,9	5,0	5,7
	US	Q1	GDP flash (ann., qoq, %)		0,7	1,4
	US	weekly	Initial jobless claims ('000)		260	247
	US	Mar	Continued jobless claims ('000)		2 137	2 137

Source: Reuters, OTP Research

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