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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 920	↑ 0,64	↑ 0,26
S&P500	2 109	↑ 0,49	↑ 0,49
Nasdaq100	4 524	↑ 0,31	↑ 0,25
Russell2000	1 177	↑ 1,09	↑ 1,91
Stoxx600	342	↑ 0,33	↓ -2,21
DAX	10 121	↑ 0,18	↓ -2,05
FTSE 100	6 273	↑ 1,03	↑ 0,04
CAC40	4 423	↑ 0,04	↓ -2,34
ATX	2 234	↑ 0,81	↓ -1,71
IBEX35	8 824	↑ 0,25	↓ -3,22
Nikkei 225	16 675	↑ 0,58	↓ -2,30
Hang Seng	21 178	↑ 0,70	↑ 1,74
SSEC	2 935	↑ 0,04	↑ 0,64
SENSEX	26 858	↑ 0,30	↓ -0,60
RTS	923	↑ 2,25	↓ -0,28
Bovespa	50 432	↓ -0,37	↑ 3,00

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1351	↓ -0,12	↑ 2,09
EUR/CHF	1,1018	↓ -0,61	↓ -0,29
USD/GBP	1,4436	↓ -0,57	↓ -0,28
USD/JPY	107,60	↑ 0,05	↓ -2,78
AUD/USD	0,7435	↑ 0,94	↑ 2,85
USD/CAD	1,2806	↓ -0,07	↓ -2,18
USD/RUB	65,47	↑ 0,34	↓ -1,93

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,7	↑ 0,2	↑ 0,5
CDS 5Y PIIS	14	↑ 2,6	↑ 4,6
CDS 5Y Italy	117	↑ 3,4	↑ 5,9
CDS 5Y Belg.	114	↑ 0,1	↓ 0,0
iTraxx 5Y EU	36,9	↓ -3,1	↑ 2,3
US TED Spread	72,7	⇒ 0,0	↑ 5,3

Source: Reuters, OTP Research

Summary

- The stock indices in Western Europe picked up on Monday, mostly fuelled by commodity-driven sectors; but the gains were modest, except for the FTSE's 1% growth.
- There were modest gains in the USA, where Janet Yellen hinted at gradual tightening but did not expand on its timing. Consumption-related companies opened on a weak note.
- Asia's benchmarks closed with gains; even the Shanghai Composite ended in positive territory.

Recovering from last week's losses, equity markets in Western Europe picked up on Monday, with the Stoxx600 ending 0.5% higher. The pan-European index's growth was driven by commodities; other outperformers included the oil and gas sector, utilities and chemical industry. In mining companies, Rio Tinto Group (+6.4%) and BHP Billiton (+6.3%) did extremely well, supported by a rise in industrial metal futures prices (mostly copper, zinc and tin; but nickel also rose by 2% owing to planned strikes, and production problems in the Philippines). BP's nearly 3% surge can be put down to the increase in oil prices – the [Brent](#) exceeded USD 50 in yesterday's trading. Owing to a target price cut by Barclays, Air France-KLM nose-dived 5.4%, dragging down the travel and entertainment sectors. Geographically, the FTSE was Monday's top performer, mostly benefiting from the strengthening mining companies; meanwhile the sterling fell as the latest opinion polls pointed to a rise in Brexit votes.

There was modest optimism in the USA where, particularly after last Friday's disappointing labour market data, investors focused on Fed Chair Janet Yellen's speech in Philadelphia, her last public appearance before the Fed's 15 June meeting. She called the latest employment data disappointing, but also pointed out one of the few encouraging details of the report, the rise in hourly wages. The Fed Chair also emphasised that the positive signs surrounding job creation and inflation are likely to counterbalance negative processes, facilitating the gradual increase of the interest rate level, but she did not expand on the timing. The Dow closed 0.6% higher, the S&P upped 0.5%. In the S&P sector indices, the energy, basic materials, and financial sectors were the strongest ones. The consumption sector, utilities, and telecommunications names barely changed. The energy sector's soaring stemmed from the higher oil price; the WTI oil's price upped 2.2% yesterday. In mining names, Freeport-McMoRan, the producer of gold, silver, and copper gained 5%, while the CF Industries basic materials company rallied almost 9%, benefiting from an upgrade by analysts. Retail chains' shares fell for the second day in a row; Best Buy shrank 3.2% and Home Depot lost 2%.

This morning, Asia's equity markets achieved modest gains. The Nikkei advanced 0.6%, while the yen slightly weakened. The commodity-driven rally in Asia went on, helping China's benchmarks climb into positive territory.

The EUR appreciated versus the USD and the CHF, while the sterling extended its losses on currency markets.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,79	↑ 0	↓ -15
US 10Y	1,73	↑ 3	↓ -13
JP 2Y	-0,25	↓ 0	↓ -2
JP 10Y	-0,12	↑ 0	↓ -1
GER 2Y	-0,54	↓ -2	↓ -2
GER 10Y	0,07	↓ -5	↓ -8

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	↑ 1
US 2Y Swap	0,91	↓ -2	↓ -11
US 5Y Swap	1,19	↓ -1	↓ -13
EUR 3M Euribor	-0,26	↓ 0	↓ 0
EUR 2Y Swap	-0,17	↓ 0	↓ -1
EUR 5Y Swap	-0,01	↑ 2	↓ -1
GB 3M Libor	0,00	↓ 0	↓ 0
GB 2Y Swap	0,71	↓ -1	↓ -1
GB 5Y Swap	0,93	↓ -1	↓ -16
JP 3M Libor	0,00	↑ 0	↓ 0
JP 2Y Swap	-0,15	↑ 0	↓ -1
JP 5Y Swap	-0,14	↓ 0	↓ -3
CHF 3M Libor	0,00	↓ 0	↓ 0
CHF 2Y Swap	-0,72	↓ -1	↓ -4
CHF 5Y Swap	0,00	↓ -1	↓ -5

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	50,5	↓ -0,06	↑ 1,67
Gold	1 242	↓ -0,21	↑ 2,26

Source: Reuters, OTP Research

In April, Germany's industrial orders fell stronger than had been thought. The eurozone's investor confidence index has improved; the Sentix jumped to nearly 10, the data released on Monday show.

Germany's industrial output figure for April, published this morning, has slightly surpassed economists' consensus, with 0.8% growth from March. Today the Eurostat will release the revised GDP data for the eurozone.

Statistics on Q1 labour cost and on productivity will be out in the USA today.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Monday	DE	Apr	Industrial orders (mom, %)	-2,0	-0,6	2,6
	EZ	Jun	Sentix Investor Confidence (point)	9,9	7,0	6,2
	US	Jun	Janet Yellen's Speech (World Affairs Council of Philadelphia's)	-	-	-
Tuesday	EZ	Q1	GDP, revised (qoq, %)		0,5	0,5
	EZ	Q1	GDP, revised (yoy, %)		1,5	1,5
	DE	Apr	Industrial output (mom, %)	0,8	0,7	-1,1
	GB	Apr	Halifax home price index, 3M (yoy, %)		8,9	9,2
	US	Q1	Labour Costs (qoq, %)		4,0	4,1
	US	Q1	Productivity (qoq, %)		-0,6	-1,0
	US	Apr	Consumer credits (USDbn)		18,00	29,67

Source: Reuters, OTP Research

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