



**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 919	↑ 0,44	↑ 1,27
S&P500	2 100	↑ 0,54	↑ 1,40
Nasdaq100	4 445	↑ 0,77	↑ 1,83
Russell2000	1 147	↑ 0,69	↓ -0,40
Stoxx600	319	↓ -1,67	↓ -2,37
DAX	9 373	↓ -1,67	↓ -2,49
FTSE 100	6 464	↓ -1,25	↑ 1,63
CAC40	4 085	↓ -1,88	↓ -2,62
ATX	2 023	↓ -0,15	↓ -2,60
IBEX35	7 926	↓ -1,75	↓ -2,21
Nikkei 225	15 311	↓ -0,44	↓ -1,65
Hang Seng	20 669	↑ 0,85	↓ -0,60
SSEC	3 007	↓ -0,35	↑ 2,64
SENSEX	27 197	↑ 0,11	↓ -0,60
RTS	918	↓ -0,81	↓ -1,46
Bovespa	51 902	↑ 0,11	↑ 1,76

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1099	↑ 0,22	↓ -0,06
EUR/CHF	1,0819	↑ 0,03	↓ -0,21
USD/GBP	1,2929	↓ -0,71	↓ -2,83
USD/JPY	100,94	↓ -0,37	↓ -2,24
AUD/USD	0,7519	↑ 0,05	↑ 0,93
USD/CAD	1,2949	↓ -0,08	↑ 0,20
USD/RUB	64,32	↓ -0,16	↑ 0,89

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	15,0	↓ -0,6	↓ -3,8
CDS 5Y PIIS	15	↑ 2,6	↓ -54,3
CDS 5Y Italy	131	↓ -0,1	↓ -26,4
CDS 5Y Belg.	126	↓ -0,8	↓ -8,9
iTraxx 5Y EU	40,9	↑ 1,8	↓ -11,5
US TED Spread	81,7	⇒ 0,0	↑ 1,9

Source: Reuters, OTP Research

**Summary**

- Europe's stock indices closed in the red but the US session was optimistic on Wednesday.
- The USD has weakened against the key currencies.
- Disappointing data were released about Germany's economy.

Wednesday's trading was rather unenthusiastic in Europe, where the key indices ended 1.3-1.9% lower. The financial sector was the weakest one; the sector index closed 2.6% in the red, at its lowest since November 2011. Spain's CaixaBank was 1.6% down after warning that it set aside 1.25 million euro in provisions in case Spanish courts ruled against its 'floor clause'. At issue are the bank's variable-rate mortgages that limited the benefits to borrowers of a drop in interest rates but brought extra profit for the bank. In another sector, car manufacturers' share prices reversed 0.8%. BMW slipped 0.2%, and Audi and Volkswagen slid 0.8% each as Germany's antitrust watchdog launched a steel price fixing investigation, including Volkswagen, Daimler, and BMW. Telecom Italia fell 11%, after its French rival Iliad announced to enter the Italian market. Brexit fears are starting to be felt in Europe's property market too: the Stoxx600 Real Estate index fell 2.2%, after M&G Investments suspended trading in its EUR 4.4 billion British real property portfolio.

By contrast, US markets ended in positive territory; the key indices closed with 0.4-0.8% gains. One of the reasons for investor optimism was the minutes of the Fed's most recent meeting. Despite the favourable Q2 GDP reading, the FOMC did not raise interest rates – the minutes suggest that this was in part caused by Brexit fears and partly owing to the deceleration in employment growth. The health care sector (+1.2%) was in the best shape yesterday. In individual names, Merck rallied 2.0% and Celgene surged 4.3%. In the NASDAQ100, Facebook saw the steepest rise (+2.4%). Energy names also ground higher (+0.6%), while the Brent's price increased by nearly 3%.

Asia's markets closed mixed this morning. The Nikkei225 and the SSEC declined 0.4% each, while the Hang Seng added 0.9% and the SENSEX edged 0.1% higher.

The dollar lost 0.2% ground to the EUR, 0.4% versus the JPY, and 0.7% against the GBP.

**GOV'T BOND MARKET**

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,58	↑	2	↓	-5
US 10Y	1,37	↑	0	↓	-14
JP 2Y	-0,33	↓	0	↓	-4
JP 10Y	-0,26	↑	0	↓	-3
GER 2Y	-0,67	↓	0	↓	0
GER 10Y	-0,19	↓	-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	↑	3
US 2Y Swap	0,72	↓	0	↑	1
US 5Y Swap	0,91	↑	0	↓	-2
EUR 3M Euribor	-0,29	↓	0	↓	-1
EUR 2Y Swap	-0,25	↓	-1	↓	-5
EUR 5Y Swap	-0,17	↑	1	↓	-7
GB 3M Libor	0,00	↓	-1	↓	-4
GB 2Y Swap	0,49	↑	2	↓	-3
GB 5Y Swap	0,53	↓	0	↓	-11
JP 3M Libor	0,00	↓	0	↑	1
JP 2Y Swap	-0,18	↓	-1	↓	-3
JP 5Y Swap	-0,21	↓	-1	↓	-4
CHF 3M Libor	0,00	↑	0	↑	1
CHF 2Y Swap	-0,86	↑	1	↓	-1
CHF 5Y Swap	0,00	↑	1	↓	-3

**COMMODITIES**

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	49,1	↑	0,51	↓	-1,27
Gold	1 367	↑	0,28	↑	3,45

Source: Reuters, OTP Research

Disappointing figures were released about the German economy. Industrial production contracted by 1.3% month/month in May, whereas analysts' poll had projected stagnation. The fall without the energy and construction sectors was 1.8%.

In today's publications, Britain will release industrial production statistics for May, and important US labour market figures are due out.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Wednesday	DE	May	Factory orders (mom, %)	0,0	0,8	-2,0
	US	Jun	FOMC minutes	-	-	-
	US	May	Trade balance (monthly, billion dollars)	-41,1	-40,0	-37,4
Thursday	DE	May	Industrial production (mom, %)	-1,3	0,0	0,8
	CH	Jun	Consumer price index (yoy, %)	-	-	-0,4
	UK	May	Industrial production (mom, %)	-	-0,9	2,0
	EZ	Jun	ECB Governing Council minutes	-	-	-
	US	Jun	ADP non-farm payroll (mom, ths)	-	160,8	173,0

Source: Reuters, OTP Research

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