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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 372	↑ 0,13	↑ 2,53
S&P500	2 152	↑ 0,01	↑ 2,51
Nasdaq100	4 566	↓ -0,26	↑ 3,51
Russell2000	1 201	↓ -0,39	↑ 4,69
Stoxx600	336	↓ -0,13	↑ 5,36
DAX	9 931	↓ -0,33	↑ 5,95
FTSE 100	6 670	↓ -0,15	↑ 3,20
CAC40	4 335	↑ 0,09	↑ 6,12
ATX	2 136	↓ -1,30	↑ 5,60
IBEX35	8 474	↓ -0,38	↑ 6,91
Nikkei 225	16 360	↑ 0,79	↑ 6,38
Hang Seng	21 339	↑ 0,08	↑ 3,05
SSEC	3 052	↓ -0,27	↑ 1,18
SENSEX	27 788	↓ -0,10	↓ -0,60
RTS	952	↓ -0,32	↑ 3,78
Bovespa	54 598	↑ 0,63	↑ 5,20

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1088	↑ 0,28	↑ 0,50
EUR/CHF	1,0925	↓ -0,10	↑ 0,98
USD/GBP	1,3145	↓ -0,73	↑ 1,84
USD/JPY	104,82	↑ 0,33	↑ 4,04
AUD/USD	0,7614	↑ 0,12	↑ 1,83
USD/CAD	1,2940	↓ -0,28	↓ -0,47
USD/RUB	63,88	↓ -0,05	↓ -0,85

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,0	↓ -0,5	↓ -1,9
CDS 5Y PIIS	13	↓ -47,4	↓ -47,1
CDS 5Y Italy	81	↓ -6,2	↓ -10,8
CDS 5Y Belg.	116	↓ -38,2	↓ -41,7
iTraxx 5Y EU	0,0	↓ -3,8	↓ -10,3
US TED Spread	71,4	⇒ 0,0	↓ -2,1

Source: Reuters, OTP Research

Summary

- The trading session in Europe was pessimistic, US indices moved mixed on Wednesday.
- The Bank of England's MPC meeting may announce new monetary stimulus measures today.
- The data released on China's economy were disappointing.

In Wednesday's pessimistic session on Europe's equity markets, the major indices dropped 0.1-0.3% as the recent four days' winning streak broke; only the CAC40 could inch up 0.1%. With crude prices dropping, oil and gas producers' stock prices were the weakest performers; the sector index closed 1% in the red. Spanish banks' share prices grew as the European Court of Justice approved a Spanish court decision that a cap must be applied in mortgage loan holders' compensation, in the case of 'rate floor clauses'. This will exempt Spanish banks from heavy extra burdens. Banco Popular rallied 2.4% and Sabadell soared 2.5%. In Italy, Banco Monte dei Paschi di Siena surged 5.4% as reports leaked out that the Italian financial institution was in talks with the Atlante bank rescue fund, to reduce non-performing loans. By contrast, Portugal's Millennium BCP fell 8.8%, after a research found the bank in need of EUR 3.9 billion capital to comply with European banking regulations.

In America, the major indices moved mixed: the NASDAQ100 was down 0.3%, the Russell2000 shed 0.4%, while the Dow edged 0.1% higher and the S&P500 closed near its opening value. Telecommunications and utility companies were the winners of the day.

Asia's markets moved mixed this morning. The Nikkei225 grew by 0.8%, the Hang Seng added 0.1%, the SSEC sank 0.3%, and the SENSEX inched 0.1% down.

The USD lost 0.3% ground to the EUR but gained 0.3% from the JPY. The GBP firmed by 0.7% vs the USD.

The Brent crude's price slumped 2.7%.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,66	↓ -3	↑ 8
US 10Y	1,47	↓ -4	↑ 10
JP 2Y	-0,35	↓ -1	↓ -3
JP 10Y	-0,28	↓ -1	↓ -2
GER 2Y	-0,67	↑ 2	↓ -1
GER 10Y	-0,11	↑ 5	↑ 8

CENTRAL BANKS' RATES

	Rate (%)	6M Consensus	1Y Consensus
Fed Funds	0,5	↑ 0,75	↑ 1,25
ECB Rate	0,00	→ 0,00	→ 0,00
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	↑ 2
US 2Y Swap	0,80	↓ -2	↑ 5
US 5Y Swap	0,99	↓ -2	↑ 7
EUR 3M Euribor	-0,30	↓ 0	↓ 0
EUR 2Y Swap	-0,26	↓ -2	↓ -1
EUR 5Y Swap	-0,16	↓ -2	↑ 1
GB 3M Libor	0,00	↓ 0	↓ -1
GB 2Y Swap	0,48	↓ -2	↑ 0
GB 5Y Swap	0,54	↓ -6	↑ 1
JP 3M Libor	0,00	↑ 0	↓ -1
JP 2Y Swap	-0,18	↓ -1	↑ 0
JP 5Y Swap	-0,21	↓ -1	↓ 0
CHF 3M Libor	0,00	↑ 0	↑ 1
CHF 2Y Swap	-0,83	↑ 2	↑ 3
CHF 5Y Swap	-0,79	↑ 1	↑ 1

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	46,8	↑ 1,06	↑ 0,75
Gold	1 336	↓ -0,45	↓ -1,75

Source: Reuters, OTP Research

China has released imports and exports statistics for June. The former plunged 8.4% from the same period of last year, whereas analysts had projected 5% contraction. Export shrank by 4.8%, beating economists' forecast of 4.1% fall.

In today's meeting, the Bank of England's Monetary Policy Council may announce new measures to tackle the economic ramifications of Brexit. Analysts expect the BoE to trim the key policy rate to 0.25% from 0.5%, and later it may continue quantitative easing.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Wednesday	CN	Jun	Import (yoy, %)	-8,4	-5,0	-0,4
	CN	Jun	Export (yoy, %)	-4,8	-4,1	-4,1
	EZ	May	Industrial production (mom, %)	-1,2	-0,3	1,1
Thursday	UK	Jul	Base rate (%)		0,5	0,5

Source: Reuters, OTP Research

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