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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 405	↓ -0,15	↓ -0,48
S&P500	2 171	↓ -0,13	↑ 0,11
Nasdaq100	4 756	↑ 0,55	↑ 1,93
Russell2000	1 219	↓ -0,07	↑ 0,19
Stoxx600	340	↓ -0,59	↓ -0,31
DAX	10 331	↓ -0,07	↑ 1,30
FTSE 100	6 694	↓ -0,45	↓ -0,24
CAC40	4 409	↓ -0,69	↑ 0,48
ATX	2 209	↓ -1,09	↓ -0,66
IBEX35	8 513	↓ -0,86	↓ -0,73
Nikkei 225	16 433	↓ -1,22	↓ -1,13
Hang Seng	22 129	n.d.	n.d.
SSEC	2 954	↑ 0,01	↓ -3,16
SENSEX	28 116	↑ 0,40	↓ -0,60
RTS	923	↓ -0,54	↓ -0,88
Bovespa	56 756	↓ -0,96	↓ -0,21

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1159	↓ -0,10	↑ 1,73
EUR/CHF	1,0808	↓ -0,22	↓ -0,87
USD/GBP	1,3173	↓ -0,40	↑ 0,35
USD/JPY	102,39	↑ 0,01	↓ -2,15
AUD/USD	0,7526	↓ -0,11	↑ 0,35
USD/CAD	1,3125	↑ 0,03	↓ -0,46
USD/RUB	66,73	↓ -0,40	↑ 1,16

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,4	↑ 0,6	↓ -0,4
CDS 5Y PIIS	12	↓ -0,6	↓ -1,9
CDS 5Y Italy	116	↓ -0,4	↓ 0,0
CDS 5Y Belg.	113	↓ -0,1	↓ -3,1
iTraxx 5Y EU	31,4	↓ -2,3	↓ -0,6
US TED Spread	67,8	⇒ 0,0	↑ 9,3

Source: Reuters, OTP Research

Summary

- Western Europe's major indices closed in the red on Monday.
- Italy's banking shares plunged more than 5% each.
- The Brent and the WTI slumped more than 2% on Monday, causing Chevron and Exxon Mobil to lose over 3% each.

Even though the EBA's stress tests had indicated that most financial institutions have good capital adequacy ratios, banking shares closed in the red on Western Europe's key markets in Monday's session. The DAX edged 0.1% lower, the CAC40 slipped 0.7%, while the FTSE100 closed 0.5% down. The losers of the day were Italy's banking shares. The weakest component of the FTSE MIB (-1.7%) was Unicredit (-9.4%), but Banca Pop Milano, Ubi Banca, Banca Pop Emilia Romagna and Banco Popolare all lost more than 5% too.

America's key indices barely changed in Monday's trading, with the NASDAQ100 seeing the biggest gain (0.6%). The Dow's weakest names were Chevron (-3.2%) and Exxon Mobil (-3.3%), as crude oil price fell almost 3% yesterday. The loser of the day was SolarCity (-7.4%) in the aftermath of an announcement on smaller-than-planned number of retail orders. Tesla will buy the company for USD 2.6 billion.

This morning Japan's Nikkei225 closed 1.5% lower, while China's Shanghai Composite stood flat before the end of trading. The Hong Kong stock exchange was closed because of a typhoon.

On Monday crude oil prices fell to the low last seen in April. Because of the growing demand and strong oil inventory data, Brent fell 2.5% to end the day just above 42 USD/barrel. The WTI slipped more than 3%, to close near 40 USD/barrel. The new secretary-general of OPEC, Mohammed Barkindo is committed to preventing the continued drop in oil prices.

Ending a day of ebbs and flows, the EUR/USD closed 0.1% down on Monday (at 1.12). In the morning the dollar appreciated a lot against the GBP, then its wobble pushed the USD/GBP somewhat higher, but it ended the day 0.4% stronger (at 1.32).

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,68	↑	2	↓	-8
US 10Y	1,52	↑	6	↓	-5
JP 2Y	-0,23	↑	3	↑	10
JP 10Y	-0,11	↑	7	↑	12
GER 2Y	-0,62	↓	-2	↓	-1
GER 10Y	-0,11	↓	-5	↓	-9

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	↑	4
US 2Y Swap	0,88	↓	-2	↓	-8
US 5Y Swap	1,06	↓	-2	↓	-8
EUR 3M Euribor	-0,30	→	0	→	0
EUR 2Y Swap	-0,22	↓	0	↓	-1
EUR 5Y Swap	-0,15	↑	2	↓	-2
GB 3M Libor	0,00	↓	0	↓	-3
GB 2Y Swap	0,47	↑	0	↑	12
GB 5Y Swap	0,54	↑	1	↓	-2
JP 3M Libor	0,00	↑	3	↑	2
JP 2Y Swap	-0,05	↑	3	↑	12
JP 5Y Swap	-0,03	↑	4	↑	15
CHF 3M Libor	0,00	↑	0	↑	1
CHF 2Y Swap	-0,75	↑	0	↓	-2
CHF 5Y Swap	0,00	↓	-2	↓	-4

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	42,3	↑	0,43	↓	-5,68
Gold	1 349	↓	-0,28	↑	2,22

Source: Reuters, OTP Research

The final readings of Europe's July purchasing managers' indices, published yesterday, have not changed much from the preliminary data.

In the USA, construction expenditure for June shrank by 0.6%, instead of the expected 0.5% month/month growth.

Today the United States will publish personal income and consumption data for June, as well as vehicle sales data for July.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Monday	CN	Jul	NBS non-manufacturing PMI (point)	53,9	-	53,7
	CN	Jul	NBS manufacturing PMI (point)	49,9	50	50
	JP	Jul	Nikkei Manufacturing PMI (point)	49,3	-	49,0
	DE	Jul	Markit Manufacturing PMI (point)	53,8	53,7	53,7
	FR	Jul	Markit Manufacturing PMI (point)	48,6	48,6	48,6
	IT	Jul	Manufacturing PMI (point)	51,2	52,2	53,5
	SP	Jul	Manufacturing PMI (point)	51,0	-	52,2
	US	Jun	Construction spending (mom, %)	-0,6	0,5	-0,8
	US	Jul	ISM Manufacturing PMI (point)	52,6	53,0	53,2
	Tuesday	US	Jun	Personal Income (mom, %)		0,3
US		Jun	Personal Consumption (mom, %)		0,3	0,4
US		Jul	Total Vehicle Sales (annualized, million db)			16,66

Source: Reuters, OTP Research

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