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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 355	↑ 0,23	↓ -0,63
S&P500	2 164	↑ 0,31	↓ -0,13
Nasdaq100	4 734	↑ 0,32	↑ 0,67
Russell2000	1 213	↑ 0,86	↓ -0,38
Stoxx600	336	↑ 0,03	↓ -2,09
DAX	10 170	↑ 0,26	↓ -1,45
FTSE 100	6 634	↓ -0,17	↓ -1,72
CAC40	4 321	↓ -0,16	↓ -2,83
ATX	2 167	↓ -0,66	↓ -3,41
IBEX35	8 264	↓ -0,17	↓ -4,59
Nikkei 225	16 255	↑ 1,07	↓ -2,46
Hang Seng	22 129	↑ 0,58	↓ -1,39
SSEC	2 979	↑ 0,00	↓ -0,53
SENSEX	27 767	↑ 0,25	↓ -0,60
RTS	911	↑ 0,83	↓ -1,21
Bovespa	57 077	↑ 1,63	↑ 0,39

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1147	↓ -0,70	↑ 0,62
EUR/CHF	1,0848	↑ 0,25	↓ -0,18
USD/GBP	1,3326	↓ -0,22	↑ 1,24
USD/JPY	101,49	↑ 0,27	↓ -3,56
AUD/USD	0,7600	↑ 0,16	↑ 1,33
USD/CAD	1,3073	↑ 0,06	↓ -0,62
USD/RUB	66,32	↓ -0,08	↓ -0,41

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,9	↓ -0,5	↑ 0,0
CDS 5Y PIIS	13	↓ -0,2	↓ -2,1
CDS 5Y Italy	116	↓ -0,9	↓ -1,6
CDS 5Y Belg.	113	↑ 0,0	↓ -3,9
iTraxx 5Y EU	29,7	↑ 0,0	↑ 1,2
US TED Spread	70,9	→ 0,0	↑ 4,7

Source: Reuters, OTP Research

Summary

- Investor sentiment improved somewhat on global markets yesterday.
- The Chicago Fed president is prepared to vote for interest rate hikes as early as in December; the USD appreciated considerably against the key currencies.
- Tesla's worse-than-expected quarterly results did not dent its share price.

On European stock markets the Stoxx600 inched up 0.03%, the DAX rose by 0.3%, while the CAC40 and the FTSE100 shed 0.2% each. In America the S&P500 and the NASDAQ100 upped 0.3%, and the Russell2000 closed 0.9% higher.

Charles Evans, the Chicago Fed President said the US economy was faring well, despite the ailing in China and Europe. Even though inflation is still below 2% the repeatedly postponed interest rate hike may come in December, he opines.

Tesla's earnings report for the second quarter missed expectations by a large margin. The company attributes the substantially larger-than-expected loss to the fact that meeting the deadline for Model 3 required more investment than had been thought. The electric car manufacturer sold 14,400 vehicles in Q2, wrong-footing analysts who had expected 17,000. Producing 50,000 cars in the second half-year seems realistic, the management said. Gross margin may increase by 2-3 percentage points in Q3. Model 3 and the aggressive growth may ratchet up operating costs by 30%.

Asia's stock indices climbed higher in today's trading, when the Nikkei added 1.1% and the Hang Seng advanced 0.6%.

Oil price has risen modestly (+0.4%) this morning, while gold dropped 0.5%.

In Wednesday's trading the dollar firmed 0.7% against the euro, thanks to the Chicago Fed President's words.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,68	↓	-1	↓	-5
US 10Y	1,54	↓	-1	↑	4
JP 2Y	-0,18	↓	0	↑	18
JP 10Y	-0,08	↓	-2	↑	21
GER 2Y	-0,59	↑	2	↑	1
GER 10Y	-0,03	↑	7	↓	-1

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	↑	1	↑	2
US 2Y Swap	0,90	↓	0	↓	-1
US 5Y Swap	1,08	↑	1	↓	-2
EUR 3M Euribor	-0,30	↓	0	↓	0
EUR 2Y Swap	-0,20	↑	0	↑	1
EUR 5Y Swap	-0,12	↓	-1	↑	2
GB 3M Libor	0,00	↑	0	↓	-2
GB 2Y Swap	0,48	↓	-2	↑	12
GB 5Y Swap	0,57	↓	-2	↑	4
JP 3M Libor	0,00	↑	0	↑	2
JP 2Y Swap	-0,06	↑	1	↑	12
JP 5Y Swap	-0,05	↑	1	↑	16
CHF 3M Libor	0,00	→	0	↑	0
CHF 2Y Swap	-0,72	↑	1	↑	2
CHF 5Y Swap	-0,64	↑	4	↑	5

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	43,3	↑	0,37	↑	1,31
Gold	1 351	↓	-0,46	↑	1,18

Source: Reuters, OTP Research

Retail sales in the euro area stagnated since May. ADP's figures have beaten expectations. Today the Bank of England will hold a rate-setting meeting. Markets expect the BoE monetary policy committee to reduce the base rate by 25 basis points, and some analysts also envisage the restarting of the quantitative easing programme.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Wednesday	EZ	Jun	Retail sales (mom, %)	0	0	0,4
	US	Jun	ADP nonfarm employment (mom, thousand)	179	168	172
Thursday	UK	Aug	Bank of England Inflation Report		-	-
	UK	Aug	Interst rate decision		0,3	0,5
	US	Jul	Factory orders		-1,8	-1,0
	US	Jul	Initial jobless claims		265,0	266,0

Source: Reuters, OTP Research

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