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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 547	↑ 0,10	↓ -0,03
S&P500	2 187	↑ 0,20	↑ 0,40
Nasdaq100	4 818	↑ 0,21	↑ 0,44
Russell2000	1 249	↑ 0,71	↑ 1,70
Stoxx600	344	↑ 0,93	↑ 0,08
DAX	10 593	↑ 0,94	↓ -0,78
FTSE 100	6 869	↑ 0,59	↓ -0,37
CAC40	4 421	↑ 0,72	↓ -0,87
ATX	2 289	↑ 1,45	↑ 0,57
IBEX35	8 581	↑ 1,33	↓ -0,47
Nikkei 225	16 597	↑ 0,61	↑ 0,00
Hang Seng	22 129	↓ -0,94	↓ -0,08
SSEC	3 089	↓ -0,03	↓ -0,67
SENSEX	28 019	↑ 0,10	↓ -0,60
RTS	972	↑ 0,93	↓ -0,26
Bovespa	58 020	↑ 0,41	↓ -1,42

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1303	↓ -0,11	↑ 0,04
EUR/CHF	1,0891	↓ -0,01	↑ 0,25
USD/GBP	1,3191	↑ 0,41	↑ 1,17
USD/JPY	100,33	↑ 0,10	↑ 0,09
AUD/USD	0,7594	↓ -0,28	↓ -0,78
USD/CAD	1,2935	↑ 0,19	↑ 0,72
USD/RUB	64,84	↑ 0,28	↑ 1,52

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,4	↑ 0,1	↓ -0,3
CDS 5Y PIIS	12	↑ 0,2	↑ 8,9
CDS 5Y Italy	118	↑ 1,3	↑ 4,9
CDS 5Y Belg.	115	↓ -0,8	↑ 0,0
iTraxx 5Y EU	25,0	↓ -2,1	↑ 2,1
US TED Spread	67,5	⇒ 0,0	↑ 0,6

Source: Reuters, OTP Research

Summary

- America's and Asia's stock markets closed with gains yesterday.
- VW has reached agreement with suppliers.
- Oil prices increased on Tuesday afternoon, but demand fears dented it on Wednesday morning.
- Tuesday's release of US and European macro data were positive on balance.

Tuesday's helpful trading sentiment, American and European indices closed higher, helped by a bunch of favourable developments. Macroeconomic statistics were favourable on both sides of the Atlantic. Markets were driven by mergers & acquisition news. UniCredit (+6.4%) is prepared to sell its 40.1% stake in Pekao bank to improve its capital position. The likely buyer is Poland's state-owned PZU insurance company. The report sent Italian banking shares higher across the board. Monsanto advanced 4% on reports of merger talks with Bayer. Volkswagen's share price jumped on news that it had reached agreement with suppliers. Tesco's (+4.1%) position seemed to be consolidating in Britain; the drop in sales slowed to 0.4% in the recent three months; but its market share is shrinking. The commodity sector benefited from encouraging business data and rising metal prices.

In Asia, the Nikkei increased and Chinese stock markets fell due to profit taking.

Apart from a slight intraday shift, the USD remained stable versus the euro; markets wait to find if there is any guidance in Janet Yellen's Friday speech. The relatively encouraging data from Britain strengthened the GBP (by 0.3% versus the EUR), and some investors closed their short-selling positions against the pound.

Despite the high inflation and the possible worsening in the country's credit rating, Turkey's central bank cut the interest rate for the sixth time in a row. This time overnight interest rate was trimmed by 25 basis points (to 7.5%); the benchmark rate was left at 8.5%. After the decision, the TRY edged 0.3% down versus the USD.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,77	↑	2	↑	2
US 10Y	1,56	↑	1	↓	-1
JP 2Y	-0,21	↓	0	↓	-2
JP 10Y	-0,09	↓	-2	↑	0
GER 2Y	-0,62	↓	-1	↓	-1
GER 10Y	-0,08	↓	-4	↓	0

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	0,25	→	0,25	→	0,25
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	0,83	↑	1	↑	2
US 2Y Swap	0,98	↓	-1	↑	2
US 5Y Swap	1,13	↑	0	↑	2
EUR 3M Euribor	-0,30	↑	0	↑	0
EUR 2Y Swap	-0,21	↓	0	↑	0
EUR 5Y Swap	-0,14	↑	1	↑	1
GB 3M Libor	0,39	→	0	↑	0
GB 2Y Swap	0,42	↑	0	↓	-2
GB 5Y Swap	0,47	↑	0	↓	0
JP 3M Libor	-0,03	↓	0	↑	0
JP 2Y Swap	-0,08	→	0	↓	-2
JP 5Y Swap	-0,06	↑	1	↓	-3
CHF 3M Libor	-0,74	→	0	↑	0
CHF 2Y Swap	-0,71	↓	-1	↓	-37
CHF 5Y Swap	-0,62	↓	-1	↑	2

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	49,3	↓	-1,26	↓	-1,04
Gold	1 337	↓	-0,04	↓	-0,84

Source: Reuters, OTP Research

Crude prices jumped higher on Tuesday afternoon on news that Iran was willing to cooperate with other OPEC members in scaling back production, as soon as it reached the pre-sanctions output level (4 million barrel/day; while it produced 3.6 million barrel/day in July). But this morning the US inventories and concerns about China's imports dragged Brent's price down.

On balance, the macroeconomic data released on Tuesday were positive. The European purchasing managers' indices also signalled that the economic growth continued in August, as it has been predicted. The only weak spot was the sharper-than-expected drop in consumer sentiment in the eurozone. Nevertheless, US new home sales have topped expectations by a large margin.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Tuesday	JP	Aug	Markit manufacturing PMI (flash, point)	49,6		49,3
	DE	Aug	Markit services PMI (flash, point)	53,3	54,3	54,4
	DE	Aug	Markit manufacturing PMI (flash, point)	53,6	53,5	53,8
	EZ	Aug	Markit services PMI (flash, point)	53,1	52,8	52,9
	EZ	Aug	Markit manufacturing PMI (flash, point)	51,8	52,0	52,0
	EZ	Aug	Consumer confidence (flash, point)	-8,5	-7,6	-7,9
Wednesday	US	Jul	New home sales (thousand)	654,0	580,0	592,0
	DE	Q2	GDP (yoy, %, second estimate)		3,1	3,1
	US	Aug	Markit manufacturing PMI (flash, point)		52,7	52,9
	US	Jul	Existing home sales (annualized monthly, thousand)		5 560,0	5 570,0

Source: Reuters, OTP Research

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