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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 481	↓ -0,35	↓ -0,50
S&P500	2 175	↓ -0,52	↓ -0,31
Nasdaq100	4 783	↓ -0,73	↓ -0,46
Russell2000	1 237	↓ -0,91	↑ 0,03
Stoxx600	345	↑ 0,39	↑ 1,31
DAX	10 623	↑ 0,28	↑ 0,81
FTSE 100	6 836	↓ -0,48	↓ -0,34
CAC40	4 435	↑ 0,32	↑ 0,40
ATX	2 308	↑ 0,82	↑ 2,51
IBEX35	8 656	↑ 0,87	↑ 1,99
Nikkei 225	16 556	↓ -0,25	↓ -1,13
Hang Seng	22 129	↑ 0,27	↓ -0,61
SSEC	3 059	↓ -0,88	↓ -1,46
SENSEX	28 123	↑ 0,23	↓ -0,60
RTS	958	↓ -1,46	↓ -0,76
Bovespa	57 718	↓ -0,52	↓ -2,71

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1261	↓ -0,37	↓ -0,70
EUR/CHF	1,0888	↓ -0,03	↑ 0,54
USD/GBP	1,3231	↑ 0,30	↑ 0,49
USD/JPY	100,42	↓ -0,01	↑ 0,55
AUD/USD	0,7628	↑ 0,21	↓ -0,74
USD/CAD	1,2912	↓ -0,09	↑ 1,03
USD/RUB	64,97	↓ -0,36	↑ 2,17

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,5	↑ 1,1	↑ 1,3
CDS 5Y PIIS	13	↑ 0,0	↑ 8,4
CDS 5Y Italy	118	↑ 0,8	↑ 5,2
CDS 5Y Belg.	116	↓ 0,0	↑ 0,0
iTraxx 5Y EU	25,0	↓ -0,1	↑ 0,4
US TED Spread	67,5	→ 0,0	↑ 0,7

Source: Reuters, OTP Research

Summary

- Europe gained, America closed in negative territory.
- World trade could have declined in Q2 on qoq terms.
- Jackson Hole Economic Symposium starts today, Yellen speaks tomorrow.
- USD strengthened against the EUR and the GBP.

The leading European stock indices closed in the positive territory yesterday, but equity markets in the US closed in the red. Market volatility sink to the lowest level since 2015 March as participants are waiting for Janet Yellen, who will hold her very important speech about the future of monetary policy on the second day (Friday) at the Jackson Hole Economic Symposium, starting today.

Yesterday the European banks were the market leaders, Unicredit gained 8%, UBS and Commerzbank gained 2.9%.

The German DAX increased due to the better than expected trade data, but PMI data's for a day before yesterday also could have had its role. These data showed us that the German economy seems resilient to the Brexit so far.

According to the Dutch Economic Policy Institute the volume of the world trade could decreased by 0.8% qoq in Q2 2016.

Trading in the Asian session saw low volatility as expected before Jackson Hole. The Japanese Nikkei declined modestly and the performance of the Chinese stock exchange indices was a mixed bag.

The US dollar strengthened against the euro and the GBP.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,77	→ 0	↑ 5
US 10Y	1,56	↑ 1	↑ 3
JP 2Y	-0,19	↑ 2	↓ -1
JP 10Y	-0,07	↑ 2	↓ -1
GER 2Y	-0,63	↓ -1	↓ -2
GER 10Y	-0,09	↓ -1	↓ -6

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	0,00	→ 0	↑ 2
US 2Y Swap	0,96	↓ -2	↑ 2
US 5Y Swap	1,12	↓ -1	↑ 3
EUR 3M Euribor	-0,30	→ 0	→ 0
EUR 2Y Swap	-0,21	↑ 1	↑ 1
EUR 5Y Swap	-0,13	↑ 1	↑ 1
GB 3M Libor	0,00	↓ 0	↑ 0
GB 2Y Swap	0,43	↑ 2	↓ -1
GB 5Y Swap	0,48	↑ 1	↑ 1
JP 3M Libor	0,00	↓ 0	↓ -1
JP 2Y Swap	-0,08	↓ 0	↓ -1
JP 5Y Swap	-0,07	↓ -1	↓ -1
CHF 3M Libor	0,00	→ 0	↑ 0
CHF 2Y Swap	-0,70	↑ 0	↓ -1
CHF 5Y Swap	0,00	↓ -1	↓ -3

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	49,1	↑ 0,10	↓ -3,52
Gold	1 326	↑ 0,17	↓ -1,95

Source: Reuters, OTP Research

The second estimate of the Q2 German GDP came as expected, but the US existing home sales data was well below expectations.

Today we begin with an important IFO Economic Sentiment Index from Germany. This is one of the most important leading indicator for the German economy, so it could establish the sentiment of today's trading. However we do not expect huge volatility on the market regardless of the data before tomorrow's speech of Janet Yellen.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Wednesday	DE	Q2	Markit manufacturing PMI (flash, point)	3,1	3,1	3,1
	US	Jul	Markit services PMI (flash, point)	5 390,0	5 560,0	5 570,0
Thursday	DE	Aug	IFO Economic Sentiment Index (point)		108,5	108,3
	DE	Jul	Durable goods (mom, %)		2,9	-4,0
	US	Aug	Continuing jobless claims (thousands people)			2 175,0
	US	Aug	Initial jobless claims (thousands people)			262,0
	US	Aug	Jackson Hole Economic Symposium (between 25-27 August)		-	-

Source: Reuters, OTP Research

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