

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 538	↑ 0,25	↑ 0,19
S&P500	2 186	↑ 0,30	↑ 0,28
Nasdaq100	4 830	↑ 0,64	↑ 1,12
Russell2000	1 253	↑ 0,12	↑ 1,09
Stoxx600	349	↓ -0,33	↑ 1,37
DAX	10 687	↑ 0,14	↑ 0,28
FTSE 100	6 826	↓ -0,78	↑ 0,08
CAC40	4 530	↓ -0,24	↑ 1,63
ATX	2 381	↑ 0,03	↑ 2,09
IBEX35	8 900	↓ -0,60	↑ 2,47
Nikkei 225	17 001	↓ -0,47	↑ 1,65
Hang Seng	22 129	↓ -0,24	↑ 3,28
SSEC	3 101	↑ 0,34	↑ 0,51
SENSEX	28 968	↓ -0,04	↓ -0,60
RTS	995	↑ 1,83	↑ 3,83
Bovespa	60 129	↑ 0,95	↑ 2,65

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1252	↑ 0,96	↑ 0,86
EUR/CHF	1,0910	↓ -0,13	↓ -0,71
USD/GBP	1,3437	↑ 1,03	↑ 2,28
USD/JPY	101,46	↓ -0,51	↓ -1,90
AUD/USD	0,7669	↓ -0,22	↑ 2,06
USD/CAD	1,2845	↑ 0,02	↓ -1,98
USD/RUB	64,43	↑ 0,07	↓ -1,42

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,0	↑ 0,0	↓ -0,9
CDS 5Y PIIS	12	↓ -0,3	↓ -2,0
CDS 5Y Italy	116	⇒ 0,0	↓ -0,4
CDS 5Y Belg.	115	↑ 0,0	↓ -1,5
iTraxx 5Y EU	23,5	↓ -1,2	↓ -0,6
US TED Spread	66,5	⇒ 0,0	⇒ 0,0

Source: Reuters, OTP Research

Summary

- The US non-manufacturing ISM index fell to six-year low of 51.8, signifying sluggish growth.
- Apple is to launch iPhone7 today.
- The USD has weakened 1% against the EUR
- Germany's industrial production contracted stronger than had been thought.

The non-manufacturing ISM index, which rarely moves markets, was the surprise data on Tuesday. Its above-50 reading still signifies expansion in the services and commercial sectors that make up the backbone of American economy. In August, the index plunged to a six-year low of 51.8 points, indicating only sluggish growth (missing the forecast 58.8), down from July's 59.3 gauge, which indicated rapid expansion. Coupled with last Friday's weaker-than-expected job market data, the current figure made a September-dated the Fed fund rate increase even less likely, even though the San Francisco Fed President, John Williams reiterated his view that a gradual interest rate hike should be launched soon.

After the publication of this American index, European markets lost momentum ahead of the close, reversing the up moves made earlier on Tuesday. At the end of the day, they posted slight gains, except for Britain's FTSE100, which shed 0.8%.

America's key indices also headed down when the unsupportive figure saw the light of day, but the returning buyers helped them end Tuesday's trading in positive territory. The brightest star was NASDAQ100 (+0.6%) – one of its components, Apple may be in the focus of attention tonight, when it launches the new iPhone7. On past form, this event intensifies activity and boost volatility in the tech giant's share price.

In Asia's quiet trading this morning, the Nikkei's 0.4% drop was the most marked move.

The discouraging ISM data also weakened America's currency by 1% against the EUR (to 1.13) and the GBP (to 0.74), and it lost 1.4% versus the yen (USD/JPY: 102.1) by the close.

The Brent oil price picked up before the close, and despite the intraday drop it shed only 0.1% (to 47.4 USD/barrel). The WTI oil traded 0.6% lower at the end of the day (44.9 USD/barrel).

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,74	↓ -7	↓ -7
US 10Y	1,54	↓ -7	↓ -3
JP 2Y	-0,19	↓ 0	↑ 1
JP 10Y	-0,04	↓ -3	↑ 3
GER 2Y	-0,64	↓ -1	↓ -2
GER 10Y	-0,05	↓ 0	↑ 3

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	↑ 83
US 2Y Swap	0,95	↓ -2	↓ -7
US 5Y Swap	1,10	↑ 1	↓ -10
EUR 3M Euribor	-0,30	↓ 0	↓ 0
EUR 2Y Swap	-0,24	↓ 0	↓ -3
EUR 5Y Swap	-0,17	↓ -4	↓ -4
GB 3M Libor	0,00	↓ 0	↑ 38
GB 2Y Swap	0,43	↓ -1	↓ -1
GB 5Y Swap	0,48	↓ -4	↑ 0
JP 3M Libor	0,00	↑ 0	↓ -3
JP 2Y Swap	-0,10	↓ -1	↓ -1
JP 5Y Swap	-0,08	↓ 0	↓ 0
CHF 3M Libor	0,00	→ 0	↓ -74
CHF 2Y Swap	-0,68	↓ -1	↓ 0
CHF 5Y Swap	0,00	↓ -2	↑ 4

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	47,3	↓ -0,78	↑ 1,21
Gold	1 350	↑ 1,75	↑ 3,24

Source: Reuters, OTP Research

The GDP data published in Europe were mostly in line with the preliminary data; the eurozone's economic growth was confirmed at 0.3% quarter/quarter and 1.6% year/year.

Earlier this morning Germany published the July reading of industrial production: the 1.5% contraction was short of analysts' expectations, but are consistent with the previous months' subdued orders statistics.

Today markets keep an eye on the July industrial output data from the United Kingdom.

Today's rate-setting meeting of Sweden's central bank (Riksbank) is expected to leave the base rate at 0.5%.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Tuesday	EZ	Q2	GDP, revised (qoq, %)	0,3	0,3	0,3
	EZ	Q2	GDP, revised (yoy, %)	1,6	1,6	1,6
	DE	Jul	Industrial orders (mom, %)	0,2	0,5	-0,3
	CH	Q2	GDP (yoy, %)	2,0	0,9	1,1
	US	Aug	ISM Non-manufacturing PMI (points)	51,4	55,0	55,5
Wednesday	US	Aug	ISM Non-manufacturing Business Activity Index (points)	51,8	58,8	59,3
	DE	Jul	Industrial output (mom, %)	-1,5	0,2	0,8
	UK	Jul	Industrial output (mom, %)	-	-0,2	0,1
	PL	Sep	Interest rate decision (%)	-	-	1,5
	US	Sep	Beige Book	-	-	-

Source: Reuters, OTP Research

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