

**DenizBank AG** 



**FX & Markets Weekly**

**Week 44/2014**

**DenizBank AG**  
**Economic Research and Development**  
**Vienna, Austria**

## Fed QE exit creates market volatility

EURUSD fell sharply by one big figure at the time of the release, and added later on to its losses to reach 1,2486 in Friday intra-day trading. The Yen suffered most against the greenback on intensifying monetary policy divergence this week. USDJPY rose to 112,15 its highest since year-end 2007.

## Lira leads weekly gains against majors

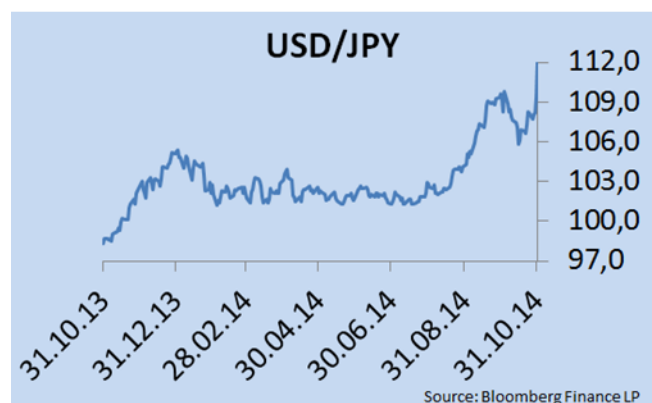
EURTRY broke out of the 2,80-2,90 channel it was trading at since May 2014, with the breakout momentum being strong. Next support level is around 2,72, the 23,6% Fibonacci retracement. On Tuesday EURTRY crossed its 50-, 100-, and 200-Day Moving Averages suggesting a downward bias. The MACD is pointing south, with the RSI indicating an imminent turn. In terms of economic data, Turkey's trade balance improved in September on the back of rising exports (+4,6% y/y). The trade gap came in better than surveyed (USD 6,93bn), down from USD 8,04bn in August and USD 7,5bn a year ago. EU's share in buying Turkish exports amounted to 43,9%.

## ATX outperforms Euro area equity indices

The local stock market index ATX outperformed its European peers this week with financials leading gains after the ECB and European Banking Authority released their Asset Quality Review and Stress Test results that were in line with expectations. We have to take these results with a grain of salt though, as the economic assumptions of the Stress Tests were in the adverse scenario not very realistic. For example, inflation rate was assumed at 1% for the Euro Area, whereas it fell to 0,3% in September. Also the 5,5% Core Equity Tier 1 Capital ratio threshold in the same scenario is rather optimistic. The Asset Quality Review is providing detailed data on the Global Systemically Important banks' balance sheets, and can be considered as a good source. However, it highlighted the heterogeneity in accounting practices over the 18 country comprising single currency area, as it identified EUR 136bn in additional non-performing loan exposure. Among Emerging Market equity indices Russian MICEX added the most in 5 days. In Asia, the Japanese Nikkei outclassed Asian stock markets, followed by Shanghai and Korean Hang Seng.

## WTI crude is stuck around USD 80

USD 80 is the break-even price of extracting shale oil for the U.S., hence this is the price that the U.S. is watching to throttle its supply. On the other hand Russia budgeted USD 104 for a barrel crude. The WTI crude price is below that since mid-July.



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## Economic Research and Development

Exchange Rates	Price as of 10/31/2014	Change % 5 days	Change % 1 Month	Change % 3 Months
EUR/USD	1,2513	-1,29	-0,96	-6,55
EUR/TRY	2,774	-1,90	-3,62	-3,34
EUR/CHF	1,2062	0,02	0,06	-0,84
EUR/GBP	0,78346	-0,53	0,61	-1,18
EUR/JPY	140,12	2,22	1,16	1,76
EUR/RUB	53,8314	1,61	7,56	12,60
EUR/CNY	7,683	-0,68	-1,28	-7,08
USD/TRY	2,2164	-0,62	-2,70	3,48
USD/JPY	111,97	3,54	2,13	8,89
USD/RUB	43,0173	2,84	8,57	20,48
USD/CNY	6,113	-0,06	-0,43	-0,98

Sovereign Bonds 10Y	Price as of 10/31/2014	Change % 5 days	Change % 1 Month	Ask YTM
Austria	120,79	0,55	0,54	0,73
Belgium	110,83	0,90	0,61	0,93
China	102,30	0,01	1,06	3,75
EFSF	119,96	0,31	0,19	0,66
ESM	111,09	0,46	0,51	0,83
France	111,03	0,76	0,45	0,81
Germany	107,18	0,36	0,60	0,61
Greece	71,41	-5,37	-10,74	8,02
Japan	103,96	0,14	0,57	0,30
Portugal	113,99	0,05	-0,73	3,12
Spain	127,86	0,15	-0,22	1,74
Russia	88,10	-1,89	-3,29	9,68
Switzerland	129,62	-0,03	-0,38	0,35
Turkey	91,60	1,47	7,76	8,54
UK	98,23	-0,02	1,55	1,99
US	96,03	-0,48	1,49	2,16

Turkey related	Price as of 10/31/2014	Change % 5 days	Change % 1 Month	Change % 3 Months
TRY Basket	2,4957	-1,34	-3,22	-0,45
WAC of CBRT (T -1)	8,28	-1,31	-5,05	0,36
Gold TRY / gram	83,09	-5,85	-6,11	-5,88
TR Gov. Bond 2Y	8,56	-2,39	-14,23	0,12

Euribor/Eonia	Price as of 10/31/2014	Change % 5 days	Change % 1 Month	Change % 3 Months
Eonia (T -1)	0,002	-85,71	-98,99	-94,29
Euribor 1 Month	0,010	-16,67	42,86	-89,80
Euribor 3 Month	0,086	1,18	3,61	-58,85
Euribor 6 Month	0,189	0,53	3,28	-38,24
Euribor 12 Month	0,340	-0,29	0,59	-30,47

EUR Libor	Price as of 10/29/2014	Change % 5 days	Change % 1 Month	Change % 3 Months
EUR Libor O/N	0,001	-12,73	27,90	-3197,20
EUR Libor 1M	0,090	59,94	299,30	-93,61
EUR Libor 3M	0,176	4,66	12,51	-64,42
EUR Libor 6M	0,267	1,43	2,92	-42,70
EUR Libor 12M	0,444	1,16	3,31	-29,74

Commodities Energy Futures	Price as of 10/31/2014	Change % 5 days	Change % 1 Month	Change % 3 Months
WTI crude	79,62	-1,68	-11,76	-17,21
BRENT crude	84,61	-1,64	-11,12	-20,76
GAS oil	733,50	-0,27	-9,43	-17,99
Heating oil	246,92	-0,36	-6,70	-14,96
Natural gas	3,89	5,68	-6,73	-2,42
Gold Spot	1.166,03	-5,26	-3,51	-9,05
Silver Spot	15,95	-7,27	-6,14	-21,88
Platinum Spot	1.226,62	-1,69	-5,62	-15,90
Palladium Spot	784,00	0,45	1,29	-10,19
Copper	305,05	0,30	1,41	-5,86

Stock Indices	Price as of 10/31/2014	Change % 5 days	Change % 1 Month	Change % 3 Months
ATX	2.209	2,06	0,34	-4,29
BIST 100	80.696	1,40	7,56	-1,89
CAC 40	4.230	2,39	-4,27	-0,44
DAX	9.298	3,42	-1,89	-1,20
Dow Jones	17.333	3,12	1,68	4,62
Euro Stoxx 50	3.103	2,36	-3,85	-0,44
FTSE 100	6.521	2,09	-1,52	-3,09
HANG SENG	23.998	2,99	4,64	-3,06
IBEX 35	10.460	1,13	-3,41	-2,34
MICEX	1.474	6,70	4,38	6,76
NASDAQ 100	4.149	2,69	2,50	6,63
NIKKEI 225	16.414	7,34	1,49	5,08
S&P 500	2.011	2,29	1,89	4,08

Interest Rate Futures	Price as of 10/31/2014	Change % 5 days	Change % 1 Month	Change % 3 Months
Bobl	128,05	0,18	0,10	1,07
Bund	150,97	0,39	0,82	3,31

Risk Sentiment	Price as of 10/31/2014	Change % 5 days	Change % 1 Month	Change % 3 Months
Baltic Dry Index T-1	1.424	23,29	33,96	88,61
VIX	14,31	-10,55	-11,65	-14,99
Turkey 5Y CDS T-1	174,337	-5,25	-16,05	-5,93
MSCI EM Index T-1	1.007,54	2,35	0,22	-5,46

USD Libor	Price as of 10/29/2014	Change % 5 days	Change % 1 Month	Change % 3 Months
USD Libor O/N	0,091	0,00	1,10	0,44
USD Libor 1M	0,156	0,65	0,98	-0,65
USD Libor 3M	0,240	-0,09	-1,06	-1,90
USD Libor 6M	0,333	0,46	-1,81	-1,62
USD Libor 12M	0,569	-0,06	-6,62	-4,04

TRY Libor	Price as of 10/31/2014	Change % 5 days	Change % 1 Month	Change % 3 Months
TRY Libor O/N	10,250	-5,66	-6,70	22,95
TRY Libor 1M	10,226	-2,29	-4,34	22,62
TRY Libor 3M	10,304	-0,45	-3,62	23,40
TRY Libor 6M	10,197	-0,71	-4,79	20,48
TRY Libor 12M	10,195	-0,54	-4,82	17,95

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## Economic Research and Development

Date Time	Country	Economic Release	Period	Consensus	Actual	Prior
10/27/2014 14:45	US	Flash US Services PMI	Oct P	57.8	57.3	58.9
10/27/2014 14:45	US	Flash US Composite PMI	Oct P	--	57.4	59.0
10/27/2014 15:00	US	Pending Home Sales MoM	Sep	1.0%	0.3%	-1.0%
10/27/2014 15:30	US	Dallas Fed Manf. Activity	Oct	11.0	10.5	10.8
10/28/2014 13:30	US	Durable Goods Orders	Sep	0.5%	-1.3%	-18.2%
10/28/2014 13:30	US	Durables Ex Transportation	Sep	0.5%	-0.2%	0.7%
10/28/2014 14:00	US	S&P/CS 20 City MoM SA	Aug	0.20%	-0.15%	-0.50%
10/28/2014 14:00	US	S&P/CS Composite-20 YoY	Aug	5.70%	5.57%	6.75%
10/28/2014 14:00	US	S&P/CaseShiller 20-City Index NSA	Aug	173.89	173.66	173.34
10/28/2014 15:00	US	Consumer Confidence Index	Oct	87.0	94.5	86.0
10/29/2014 12:00	US	MBA Mortgage Applications	Oct 24	--	-6.6%	11.6%
10/29/2014 19:00	US	Fed QE3 Pace	Oct	\$0B	\$0B	\$15B
10/29/2014 19:00	US	Fed Pace of Treasury Pur	Oct	\$0B	\$0B	\$10B
10/29/2014 19:00	US	Fed Pace of MBS Purchases	Oct	\$0B	\$0B	\$5B
10/29/2014 19:00	US	FOMC Rate Decision (Upper Bound)	Oct 29	0.25%	0.25%	0.25%
10/29/2014 19:00	US	FOMC Rate Decision (Lower Bound)	Oct 29	0.00%	0.00%	0.00%
10/30/2014 13:30	US	Initial Jobless Claims	Oct 25	285K	287K	283K
10/30/2014 13:30	US	Continuing Claims	Oct 18	2352K	2384K	2351K
10/30/2014 13:30	US	GDP Annualized QoQ	3Q A	3.0%	3.5%	4.6%
10/30/2014 13:30	US	Personal Consumption	3Q A	1.9%	1.8%	2.5%
10/30/2014 13:30	US	GDP Price Index	3Q A	1.4%	1.3%	2.1%
10/30/2014 13:30	US	Core PCE QoQ	3Q A	1.4%	1.4%	2.0%
10/31/2014 13:30	US	Employment Cost Index	3Q	0.5%	0.7%	0.7%
10/31/2014 13:30	US	Personal Income	Sep	0.3%	0.2%	0.3%
10/31/2014 13:30	US	Personal Spending	Sep	0.1%	-0.2%	0.5%
10/31/2014 14:45	US	Chicago Purchasing Manager	Oct	60.0	66.2	60.5
10/31/2014 14:55	US	Univ. of Michigan Confidence	Oct F	86.4	86.9	86.4
10/27/2014 10:00	EU	M3 Money Supply YoY	Sep	2.2%	2.5%	2.0%
10/27/2014 10:00	EU	M3 3-month average	Sep	2.0%	2.1%	1.8%
10/30/2014 11:00	EU	Economic Confidence	Oct	99.7	100.7	99.9
10/30/2014 11:00	EU	Industrial Confidence	Oct	-5.5	-5.1	-5.5
10/30/2014 11:00	EU	Consumer Confidence	Oct F	-11.1	-11.1	-11.1
10/30/2014 11:00	EU	Business Climate Indicator	Oct	0.05	0.05	0.07
10/31/2014 11:00	EU	Unemployment Rate	Sep	11.5%	11.5%	11.5%
10/31/2014 11:00	EU	CPI Estimate YoY	Oct	0.4%	0.4%	0.3%
10/31/2014 11:00	EU	CPI Core YoY	Oct A	0.8%	0.7%	0.8%
10/27/2014 13:30	TR	Real Sector Confidence SA	Oct	--	110.1	107.6
10/27/2014 13:30	TR	Real Sector Confidence NSA	Oct	--	106.9	107.6
10/27/2014 13:30	TR	Capacity Utilization	Oct	--	74.9%	74.4%
10/30/2014 09:00	TR	Consumer Confidence Index	Oct	--	70.3	74.0
10/31/2014 09:00	TR	Trade Balance	Sep	-7.13B	-6.93B	-8.04B
10/30/2014 13:00	RU	Gold and Forex Reserve	Oct 24	--	439.1B	443.8B
10/31/2014 07:00	RU	Flash Manufacturing PMI	Oct	50.0	50.3	50.4
10/31/2014 08:55	RU	Money Supply Narrow Def	Oct 24	--	8.35T	8.42T
10/31/2014 11:30	RU	Key Rate	Oct 31	8.50%	9.50%	8.00%



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Shareholder structure: Member of the Sberbank Group

Purpose of document: This report summarises the significant developments within the financial markets over the previous week and comments on their underlying background.