

**DenizBank AG** 



**FX & Markets Weekly**

**Week 37/2015**

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

### Asian stocks rebound led by Shenzhen Composite

After the rain comes sun. Especially true for Asian equities this week, as all Asia/Pacific main equity indices rebounded. The Shenzhen stock exchange, one of the 3 Chinese stock exchanges led gains. But please beware of the bubble here (P/E over 40; P/B at 3,8; P/S at 2,7).

### ECB buys up the sovereign bond curve

Like in July, the average maturity of sovereign bond purchases by the ECB have increased in August (+0,4 years to 8,7 years). This was particularly visible in the case of Germany where the average maturity of bonds purchased was 1,2 years higher vs. July. The total amount of QE purchases by the ECB dropped by EUR 8bn to EUR 43bn in August. As previously mentioned, this reduction was preceded by a frontloading of purchases in the rather illiquid summer months.

### 3-month Euribor fixing falls to record low

This week we saw EUR money market rate fixings decline across the board amid excess liquidity above EUR 500bn for the most of the week. 1-,3-,6- and 12-month Euribor fixings fell to their all-time lows. EUR-Libor rates also fell to all-time lows in all maturities up to 3 months.

### Upbeat economic data from Turkey

Turkish 2Q GDP expanded by 3,8% y/y, up from an upwardly revised 2,5% in 1Q15. Hereby beating all expectations (median of estimates was 3,1%). Thanks to a sharp rise in government spending (+7,2% y/y), and household consumption (5,6% y/y). The figure corresponds to a seasonal and working day adjusted rise of +1,5% q/q. Moreover, this week also Turkish current account data surprised positively. The July current account deficit came in at USD -3,15bn, down from -3,36bn in June, also below consensus estimates of USD -3,55bn. The market's initial impact was muted to both releases. Meanwhile, the G-20 convened in Ankara and issued a joint statement with explicit reference against using competitive FX devaluations as a policy tool.

### S&P downgrades Brazil by 1 notch to BB+

Standard&Poor's has cut Brazil's sovereign rating below investment-grade and kept the negative outlook. The negative outlook reflects a more than 1/3 chance of a further reduction due to a deterioration of Brazil's fiscal position. S&P expects the Brazilian economy to extend its contraction well into 2016, returning to growth not before 2017.



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## Economic Research and Development

Exchange Rates	Price as of 09/04/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
EUR/USD	1,1111	-0,64	1,38	-1,55
EUR/TRY	3,3202	1,58	9,25	10,33
EUR/CHF	1,0850	0,82	1,80	3,05
EUR/GBP	0,73114	0,59	4,24	-0,37
EUR/JPY	132,58	-2,60	-2,44	-5,68
EUR/RUB	75,0462	2,59	9,07	18,74
EUR/CNY	7,0875	-1,86	4,08	0,86
USD/TRY	2,9881	2,29	7,80	12,15
USD/JPY	119,32	-1,99	-3,78	-4,21
USD/RUB	67,5498	3,53	7,61	20,60
USD/CNY	6,3559	-0,53	2,35	2,51

Sovereign Bonds 10Y	Price as of 09/04/2015	Change % 5 days	Change % 1 Month	Ask YTM
Austria	120,44	0,46	-0,57	0,50
Belgium	112,00	0,47	-0,35	0,66
China	105,00	1,00	1,37	3,35
EFSF	120,06	0,09	-0,27	0,32
ESM	112,11	0,17	-0,36	0,59
France	111,75	0,43	-0,38	0,56
Germany	108,52	0,32	-0,32	0,34
Greece	68,61	1,03	22,03	9,10
Japan	104,76	0,24	0,22	0,14
Portugal	120,10	0,29	-1,15	2,21
Spain	125,97	0,13	-0,90	1,63
Russia	82,10	-1,80	-4,68	11,74
Switzerland	132,91	0,16	0,03	-0,39
Turkey	83,40	-1,07	na	10,33
UK	101,17	0,61	0,76	1,57
US	97,97	0,18	0,71	1,92

Turkey related	Price as of 09/04/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
TRY Basket	3,1542	1,88	8,53	11,18
WAC of CBRT	8,73	-1,13	0,34	7,51
Gold TRY / gram	107,70	1,13	10,59	6,87
TR Gov. B. 2Y yield	11,18	2,38	12,02	12,82

Euribor/Eonia	Price as of 09/04/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
Eonia (T -1)	-0,124	2,36	-14,82	13,29
Euribor 1 Month	-0,104	-6,12	-31,65	-67,74
Euribor 3 Month	-0,034	-3,03	-47,83	-161,54
Euribor 6 Month	0,038	-5,00	-20,83	-22,45
Euribor 12 Month	0,158	-1,86	-3,66	-2,47

EUR Libor	Price as of 09/04/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
EUR Libor O/N	-0,180	0,39	0,00	-1,61
EUR Libor 1M	-0,109	-3,40	-21,59	-55,10
EUR Libor 3M	-0,034	-11,90	-95,86	-147,38
EUR Libor 6M	0,038	-16,20	-29,42	-34,00
EUR Libor 12M	0,149	-5,01	-9,39	-14,59

Commodities Energy Futures	Price as of 09/04/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
WTI crude	46,16	2,76	0,74	-21,02
BRENT crude	50,18	0,74	-0,41	-20,96
GAS oil	491,50	2,23	2,34	-15,11
Heating oil	161,10	1,66	3,33	-14,09
Natural gas	2,68	-0,99	-5,39	-0,59
Gold Spot	1.121,13	-1,14	2,59	-4,71
Silver Spot	14,60	-0,05	-0,29	-9,81
Platinum Spot	999,78	-1,83	4,29	-9,06
Palladium Spot	578,35	-1,66	-3,84	-23,46
Copper	232,70	-0,81	-2,00	-13,83

Stock Indices	Price as of 09/04/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
ATX	2.264	-3,12	-9,11	-13,37
BIST 100	73.411	-1,73	-6,25	-11,09
CAC 40	4.525	-3,29	-11,56	-9,34
DAX	10.045	-2,50	-12,35	-11,45
Dow Jones	16.186	-2,88	-7,90	-9,73
Euro Stoxx 50	3.177	-3,40	-12,28	-10,73
FTSE 100	6.063	-2,13	-9,36	-11,65
HANG SENG	20.841	-4,57	-14,63	-24,65
IBEX 35	9.786	-5,52	-12,28	-12,24
MICEX	1.697	-1,27	1,36	3,62
NASDAQ 100	4.203	-3,18	-8,23	-6,59
NIKKEI 225	17.792	-7,02	-13,30	-13,16
S&P 500 (T-1)	1.951	-1,90	-6,79	-6,90

Interest Rate Futures	Price as of 09/04/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
Bobl	130,47	0,22	0,05	1,06
Bund	154,53	0,50	0,03	2,46

Risk Sentiment	Price as of 09/04/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
Baltic Dry Index	891	-2,94	-25,75	47,76
VIX	25,61	-1,69	97,00	74,10
Turkey 5Y CDS (T -1)	273,11	3,94	13,89	26,62
MSCI EM Index (T-1)	801,48	-2,29	-10,26	-18,88

USD Libor	Price as of 09/04/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
USD Libor O/N	0,136	1,50	7,11	10,16
USD Libor 1M	0,199	0,35	4,46	8,26
USD Libor 3M	0,332	0,91	10,26	19,04
USD Libor 6M	0,538	0,61	10,63	27,41
USD Libor 12M	0,850	0,83	5,60	13,68

TRY Libor	Price as of 09/04/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
TRY Libor O/N	11,068	0,00	0,48	1,57
TRY Libor 1M	11,685	0,10	5,57	7,55
TRY Libor 3M	11,685	0,02	5,09	8,09
TRY Libor 6M	11,685	0,02	4,62	8,41
TRY Libor 12M	11,685	0,02	4,62	8,41



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## Economic Research and Development

Date Time	Country	Economic Release	Period	Consensus	Actual	Prior
09/08/2015 12:00	US	NFIB Small Business Optimism	Aug	96.0	95.9	95.4
09/08/2015 16:00	US	Labor Market Conditions Index Change	Aug	42156	42006	42005
09/08/2015 21:00	US	Consumer Credit	Jul	\$18.800B	\$19.097B	\$20.740B
09/09/2015 13:00	US	MBA Mortgage Applications	Sep 4	--	-6.2%	11.3%
09/09/2015 16:00	US	JOLTS Job Openings	Jul	5300	5753	5249
09/10/2015 14:30	US	Import Price Index MoM	Aug	-1.6%	-1.8%	-0.9%
09/10/2015 14:30	US	Import Price Index YoY	Aug	-11.1%	-11.4%	-10.4%
09/10/2015 14:30	US	Initial Jobless Claims	Sep 5	275K	275K	282K
09/10/2015 14:30	US	Continuing Claims	Aug 29	2253K	2260K	2257K
09/10/2015 16:00	US	Wholesale Inventories MoM	Jul	0.3%	-0.1%	0.9%
09/10/2015 16:00	US	Wholesale Trade Sales MoM	Jul	0.1%	-0.3%	0.1%
09/11/2015 14:30	US	PPI Final Demand MoM	Aug	-0.1%	0.0%	0.2%
09/11/2015 14:30	US	PPI Ex Food and Energy MoM	Aug	0.1%	0.3%	0.3%
09/11/2015 14:30	US	PPI Ex Food, Energy, Trade MoM	Aug	0.1%	0.1%	0.2%
09/11/2015 14:30	US	PPI Final Demand YoY	Aug	-0.9%	-0.8%	-0.8%
09/11/2015 14:30	US	PPI Ex Food and Energy YoY	Aug	0.7%	0.9%	0.6%
09/11/2015 14:30	US	PPI Ex Food, Energy, Trade YoY	Aug	0.7%	0.7%	0.9%
09/11/2015 16:00	US	U. of Mich. Sentiment	Sep P	91.1	85.7	91.9
09/11/2015 16:00	US	U. of Mich. Current Conditions	Sep P	--	100.3	105.1
09/11/2015 16:00	US	U. of Mich. Expectations	Sep P	--	76.4	83.4
09/11/2015 16:00	US	U. of Mich. 1 Yr Inflation	Sep P	--	2.9%	2.8%
09/11/2015 16:00	US	U. of Mich. 5-10 Yr Inflation	Sep P	--	2.8%	2.7%
09/07/2015 10:30	EU	Sentix Investor Confidence	Sep	16.0	13.6	18.4
09/08/2015 11:00	EU	GDP SA QoQ	2Q P	0.3%	0.4%	0.3%
09/08/2015 11:00	EU	GDP SA YoY	2Q P	1.2%	1.5%	1.2%
09/08/2015 11:00	EU	Household Cons QoQ	2Q	0.3%	0.4%	0.5%
09/08/2015 11:00	EU	Govt Expend QoQ	2Q	0.2%	0.3%	0.6%
09/08/2015 11:00	EU	Gross Fix Cap QoQ	2Q	0.3%	-0.5%	0.8%
09/08/2015 09:00	TR	Industrial Production MoM	Jul	0.4%	-1.5%	2.4%
09/08/2015 09:00	TR	Industrial Production YoY	Jul	3.7%	0.3%	5.5%
09/10/2015 09:00	TR	Current Account Balance	Jul	-3.55B	-3.15B	-3.36B
09/10/2015 09:00	TR	GDP YoY	2Q	3.1%	3.8%	2.3%
09/10/2015 09:00	TR	GDP SA/WDA QoQ	2Q	0.7%	1.3%	1.3%
09/10/2015 09:00	TR	GDP WDA YoY	2Q	2.9%	3.8%	2.4%
09/07/2015 14:00	RU	Official Reserve Assets	Aug	362.5B	366.3B	357.6B
09/08/2015 13:02	RU	Light Vehicle Car Sales YoY	Aug	-0,24	-0,19	-0,27
09/08/2015 15:00	RU	GDP YoY	2Q P	-4.5%	-4.6%	-4.6%
09/10/2015 14:00	RU	Gold and Forex Reserve	Sep 4	--	365.3B	366.4B
09/11/2015 10:00	RU	Money Supply Narrow Def	Sep 4	--	8.10T	8.11T
09/11/2015 12:30	RU	Key Rate	Sep 11	11.00%	11.00%	11.00%
09/11/2015	RU	Trade Balance	Jul	12.7B	10.7B	13.8B
09/11/2015	RU	Imports	Jul	16.5b	17.0b	16.5b
09/11/2015	RU	Exports	Jul	29.5b	27.7b	30.3b

**Should you have any queries, please contact me as follows:**

Mag. Ahmet Hüsrev BILGIN, Economic Research and Development

Tel: 0505105/2430

Email: ahmet.bilgin@denizbank.at

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Thomas-Klestil-Platz 1, 1030 Vienna;

Registered address of the company: Vienna;

DPR number: 0845981

Object of the company: Banking;

Members of the Management Board:

Ahmet Mesut Ersoy, Mehmet Ulvi Taner, Dr. Thomas Roznovsky, Tuncay Akdevelioglu;

Members of the Supervisory Board:

Sergey Gorkov, Hakan Ates, Dr. Kurt Heindl, Derya Kumru, Wouter van Roste, Alexander Vedyakhin

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.