

**DenizBank AG** 



**FX & Markets Weekly**

**Week 22/2015**

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



## Commodities drop across the board on USD strength

Following last week's declines, this week was similar for commodities. All but one energy Future, and all but one type of metal tumbled. With respect to crude, the largest U.S. ETF that tracks oil (United States Oil Fund "USO") had the largest outflows in April and May for the last 6 years. Investors also cut holdings in gold ETFs, while the Dollar spot index is set for a 2<sup>nd</sup> weekly advance.

## USD/JPY rises to 14-year high

USD extended its rise against the JPY this week (+21% in 12 months) and surpassed even its June 2007 peak to reach a 14-year high. Janet Yellen signalled at the Senate Banking Committee that the economy is on solid ground and she saw hints wages may be starting to pick up. She deemed it as appropriate to raise borrowing cost this year. While the momentum measured by the MACD is supporting our bullish sentiment on this currency pair, the RSI indicates an imminent turn that is not going to be long-lasting. Also the Nikkei 225 equity index headed for its 11<sup>th</sup> consecutive day of gains.

## RUB heads for its 1<sup>st</sup> monthly decline in 2015

RUB declined 4,86% against the EUR (by the time of writing), and 5,61% vs. the USD this week. The Central Bank of Russia bought FX to "accumulate reserves". Although Russia switched to a free floating exchange rate regime in November 2014, these interventions signal the CBR is willing to defend current levels.

## Venezuela stocks broaden performance

The Caracas stock market extended its rally (+94% since May 19) after Venezuela signed a deal with Russia to double oil production in "the coming years". A total of USD 14bn is going to be invested in Venezuela's oil and gas sector by Rosneft. Venezuela is one of the world's largest oil exporters and claims to have the world's largest crude reserves. But at the same time the country is heavily dependent on "petro-dollars" as it is estimated to gain 96% of its export revenues from oil. In terms of exchange rate there are other specifics. Venezuela has maintained capital controls since 2003 and currently has 3 legal exchange rates vs. USD (6,3 for Cencoex companies, 12 for Sicad companies, and 199 bolivars per dollar for Simadi companies). These rates are for valuation and reporting purposes and are pre-set by the government. Corporations are in one group depending on what they export. However, on the black market USD/VEF is currently around 397. The incredible equity rally (+406% in 12 months) is fuelled by the black market exchange rate.



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## Economic Research and Development

Exchange Rates	Price as of 05/29/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
EUR/USD	1,0966	-0,35	-1,52	-1,82
EUR/TRY	2,922	2,09	-1,21	3,70
EUR/CHF	1,0345	-0,40	-0,98	-3,42
EUR/GBP	0,71883	1,14	-0,24	-1,17
EUR/JPY	136,09	1,76	2,95	1,41
EUR/RUB	57,4575	4,50	1,14	-17,96
EUR/CNY	6,7929	-1,79	-0,43	-3,26
USD/TRY	2,6641	2,42	0,36	5,60
USD/JPY	124,1	2,09	4,52	3,28
USD/RUB	52,3988	4,87	2,69	-15,70
USD/CNY	6,1976	0,00	-0,03	-1,20

Sovereign Bonds 10Y	Price as of 05/29/2015	Change % 5 days	Change % 1 Month	Ask YTM
Austria	122,03	0,52	-1,30	0,40
Belgium	113,26	0,51	-1,62	0,56
China	103,39	-1,27	-1,73	3,55
EFSF	120,83	0,46	-1,43	0,33
ESM	113,59	0,71	-2,04	0,47
France	113,05	0,51	-1,27	0,45
Germany	109,41	0,80	-1,14	0,27
Greece	57,29	0,39	-0,09	11,83
Japan	104,32	0,25	-0,61	0,21
Portugal	120,80	-1,15	-3,34	2,19
Spain	127,89	-0,41	-2,47	1,51
Russia	85,75	-1,15	2,08	10,70
Switzerland	133,17	0,62	0,32	-0,29
Turkey	89,20	-0,79	1,20	9,00
UK	101,00	0,78	0,31	1,60
US	98,02	0,67	-0,48	1,91

Turkey related	Price as of 05/29/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
TRY Basket	2,7925	2,35	-0,45	4,62
WAC of CBRT (T-1)	8,28	0,98	0,36	7,39
Gold TRY / gram	101,92	1,08	-1,25	4,15
TR Gov. Bond 2Y	9,88	1,96	-1,10	12,15

Euribor/Eonia	Price as of 05/29/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
Eonia (T-1)	-0,104	1,89	-31,65	-262,50
Euribor 1 Month	-0,059	-13,46	-55,26	-1080,00
Euribor 3 Month	-0,012	0,00	-140,00	-130,77
Euribor 6 Month	0,049	-9,26	-19,67	-55,46
Euribor 12 Month	0,160	-1,24	-4,19	-31,33

EUR Libor	Price as of 05/29/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
EUR Libor O/N	-0,117	33,61	30,81	-963,23
EUR Libor 1M	-0,069	-2,13	-24,67	-966,41
EUR Libor 3M	-0,016	-9,94	-120,03	-162,84
EUR Libor 6M	0,055	2,67	4,05	-32,46
EUR Libor 12M	0,173	0,42	-1,22	-16,55

Commodities Energy Futures	Price as of 05/29/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
WTI crude	59,36	-2,55	-1,15	6,73
BRENT crude	64,56	-1,58	-3,31	-0,77
GAS oil	591,25	-1,71	-1,09	1,90
Heating oil	192,00	-3,33	-1,63	-0,57
Natural gas	2,65	-11,49	-0,34	-7,47
Gold Spot	1.189,94	-1,29	-1,58	-1,43
Silver Spot	16,74	-2,11	0,48	1,84
Platinum Spot	1.114,92	-2,69	-3,90	-6,24
Palladium Spot	784,05	-0,71	-0,08	-5,61
Copper	275,05	-3,46	-1,75	2,33

Stock Indices	Price as of 05/29/2015	Change% 5 days	Change % 1 Month	Change % 3 Months
ATX	2.576	-2,38	-0,36	3,28
BIST 100	82.981	-3,29	-3,49	-1,39
CAC 40	5.038	-2,13	-0,12	1,66
DAX	11.460	-3,49	0,15	0,43
Dow Jones	17.993	-1,58	-0,21	-0,74
Euro Stoxx 50	3.590	-2,51	-0,83	-0,34
FTSE 100	7.020	0,05	1,02	1,01
HANG SENG	27.424	-0,36	-3,44	10,48
IBEX 35	11.259	-2,62	-1,12	0,65
MICEX	1.638	-1,52	-1,84	-6,75
NASDAQ 100	4.511	-0,42	0,50	1,57
NIKKEI 225	20.563	1,47	2,51	9,39
S&P 500	2.106	-1,14	-0,01	0,10

Interest Rate Futures	Price as of 05/29/2015	Change% 5 days	Change % 1 Month	Change % 3 Months
Bobl	128,87	0,25	-0,15	-0,37
Bund	155,41	0,91	-1,48	-1,18

Risk Sentiment	Price as of 05/29/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
Baltic Dry Index (T-1)	588	-2,97	-1,18	8,89
VIX	14,32	18,08	6,80	7,20
Turkey 5Y CDS (T-1)	211,697	3,94	-4,33	5,17
MSCI EM Index (T-1)	1.009,52	-2,71	-4,72	1,94

USD Libor	Price as of 05/29/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
USD Libor O/N	0,121	-2,42	-1,63	4,31
USD Libor 1M	0,184	-0,46	2,08	6,36
USD Libor 3M	0,284	-0,26	2,01	8,36
USD Libor 6M	0,425	1,43	4,17	11,54
USD Libor 12M	0,750	1,64	7,25	10,31

TRY Libor	Price as of 05/29/2015	Change % 5 days	Change % 1 Month	Change % 3 Months
TRY Libor O/N	10,870	0,05	0,51	2,19
TRY Libor 1M	10,865	0,01	0,98	7,17
TRY Libor 3M	10,810	0,10	0,75	6,03
TRY Libor 6M	10,779	0,17	1,63	13,70
TRY Libor 12M	10,779	0,17	1,43	13,71



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Economic Research and Development

Date Time	Country	Economic Release	Period	Consensus	Actual	Prior
05/26/2015 14:30	US	Durable Goods Orders	Apr	-0.5%	-0.5%	4.0%
05/26/2015 14:30	US	Durables Ex Transportation	Apr	0.3%	0.5%	-0.2%
05/26/2015 14:30	US	Cap Goods Orders Nondef Ex Air	Apr	0.3%	1.0%	-0.5%
05/26/2015 14:30	US	Cap Goods Ship Nondef Ex Air	Apr	0.2%	0.8%	-0.4%
05/26/2015 15:00	US	FHFA House Price Index MoM	Mar	0.7%	0.3%	0.7%
05/26/2015 15:00	US	House Price Purchase Index QoQ	1Q	1.1%	1.3%	1.4%
05/26/2015 15:00	US	S&P/CS 20 City MoM SA	Mar	0.90%	0.95%	0.93%
05/26/2015 15:00	US	S&P/CS Composite-20 YoY	Mar	4.60%	5.04%	5.03%
05/26/2015 15:00	US	S&P/CaseShiller 20-City Index NSA	Mar	175.00	175.20	173.67
05/26/2015 15:45	US	Markit US Composite PMI	May P	--	56.1	57.0
05/26/2015 15:45	US	Markit US Services PMI	May P	56.5	56.4	57.4
05/26/2015 16:00	US	New Home Sales	Apr	508K	517K	481K
05/26/2015 16:00	US	New Home Sales MoM	Apr	5.6%	6.8%	-11.4%
05/26/2015 16:00	US	Consumer Confidence Index	May	95.0	95.4	95.2
05/26/2015 16:00	US	Richmond Fed Manufact. Index	May	0	1	-3
05/26/2015 16:30	US	Dallas Fed Manf. Activity	May	-12.4	-20.8	-16.0
05/27/2015 13:00	US	MBA Mortgage Applications	May 22	--	-1.6%	-1.5%
05/28/2015 14:30	US	Initial Jobless Claims	May 23	270K	282K	274K
05/28/2015 14:30	US	Continuing Claims	May 16	2200K	2222K	2211K
05/28/2015 16:00	US	Pending Home Sales MoM	Apr	0.9%	3.4%	1.1%
05/28/2015 16:00	US	Pending Home Sales NSA YoY	Apr	10.9%	13.4%	13.4%
05/29/2015 14:30	US	GDP Annualized QoQ	1Q S	-0.9%	-0.7%	0.2%
05/29/2015 14:30	US	Personal Consumption	1Q S	2.0%	1.8%	1.9%
05/29/2015 14:30	US	GDP Price Index	1Q S	-0.1%	-0.1%	-0.1%
05/29/2015 14:30	US	Core PCE QoQ	1Q S	0.9%	0.8%	0.9%
05/29/2015 15:45	US	Chicago Purchasing Manager	May	53.0	46.2	52.3
05/28/2015 11:00	EU	Economic Confidence	May	103.5	103.8	103.7
05/28/2015 11:00	EU	Business Climate Indicator	May	0.35	0.28	0.32
05/28/2015 11:00	EU	Industrial Confidence	May	-3.0	-3.0	-3.2
05/28/2015 11:00	EU	Services Confidence	May	6,7	7,8	6,7
05/28/2015 11:00	EU	Consumer Confidence	May F	-5.5	-5.5	-5.5
05/29/2015 10:00	EU	M3 Money Supply YoY	Apr	4.9%	5.3%	4.6%
05/29/2015 10:00	EU	M3 3-month average	Apr	4.5%	4.7%	4.1%
05/27/2015	TR	Foreign Tourist Arrivals YoY	Apr	--	-8.1%	2.4%
05/29/2015 09:00	TR	Trade Balance	Apr	-4.80B	-4.97B	-6.15B
05/27/2015 15:00	RU	CPI WoW	May 25	--	0.1%	0.1%
05/27/2015 15:00	RU	CPI Weekly YTD	May 25	--	8.3%	8.2%
05/28/2015 14:00	RU	Gold and Forex Reserve	May 22	--	360.5B	362.3B
05/29/2015 10:00	RU	Money Supply Narrow Def	May 22	--	7.93T	7.97T

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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.