

Headquarter Treasury Sales

Head of Sales

Marius George Ionescu

+40755 000 437

marius.ionescu@otpbank.ro

Alina Elena Vrabioiu

+4021 307 58 17

alina.vrabioiu@otpbank.ro

Tania Fantana

+4021 307 58 17

tania.fantana@otpbank.ro

Alexandru Tibuleac

+4021 307 58 17

alexandru.tibuleac@otpbank.ro

Regional Treasury Sales

Cezar Trandafirescu - Iasi

+40755 000 246

cezar.trandafirescu@otpbank.ro

Szilamer Kozma – Cluj

+40755 000 400

szilamer.kozma@otpbank.ro

Valentin Cioraneanu – Brasov

+40755 000 464

valentin.cioraneanu@otpbank.ro

Radu Oprea – Bucharest

+40755 000 474

radu.oprea@otpbank.ro



Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	14 936	↓ -0,90	↓ -1,28
S&P500	1 676	↓ -0,85	↓ -0,32
Nasdaq100	3 216	↓ -0,83	↓ -0,08
Russell2000	1 066	↓ -1,16	↓ -0,75
Stoxx600	309	↓ -0,23	↓ -0,41
DAX	8 592	↓ -0,36	↓ -0,03
FTSE 100	6 437	↓ -0,26	↓ -0,39
CAC40	4 166	↑ 0,03	↑ 0,53
ATX	2 502	↓ -1,04	↓ -1,06
IBEX35	9 382	↓ -0,41	↑ 2,13
Nikkei 225	13 853	↓ -1,22	↓ -4,36
Hang Seng	22 974	↓ -0,71	↑ 0,50
SSEC	2 175	→ 0,00	→ 0,00
SENSEX	19 895	↓ -0,10	↑ 2,66
RTS	1 444	↑ 0,08	↑ 1,53
Bovespa	52 417	↓ -0,82	↑ 0,15

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3569	↓ -0,09	↑ 0,33
EUR/CHF	1,2273	↑ 0,11	↑ 0,24
USD/GBP	1,6095	↑ 0,54	↓ -0,60
USD/JPY	97,08	↑ 0,40	↓ -0,91
AUD/USD	0,9434	↑ 0,07	↑ 0,40
USD/CAD	1,0324	↑ 0,13	↑ 0,02

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	19,4	↑ 2,7	↑ 2,8
EMBI+ Spread	287	↓ -6	↓ -5
CDS 5Y PIIS	209	↓ -16	↓ -27
CDS 5Y Italy	193	↓ -11	↓ -28
CDS 5Y Belg.	33	↓ -1	↓ -2
iTraxx 5Y EU	97,1	↓ -1	↓ -1
US TED Spread	21,6	→ 0	↓ -1

Source: Reuters, OTP Research

Summary

- No deal has been struck on America's budget, and lawmakers' messages suggest that it is unlikely to resolve in few days' time.
- After Friday's firming, the EUR/USD moved sideways.
- HSBC's sentiment index for China's service sector has dropped, but it projects the sector's further growth.

The (lack of) events relating to US budget continue to be the key drivers for markets. With no agreement reached during the weekend, and since the most recent statements rule out a compromise, a general sense of lethargy overwhelmed the most important markets. The exception was the Italian stock exchange where investors could rejoice the steps made to suspend Silvio Berlusconi's immunity. Milan's FTSE-MIB advanced 0.7%, chiefly owing to financial institutions' good performance. Paris' CAC40 stagnated, while the selling pressure on Deutsche Bank, Siemens, and Bayer led the DAX to slight losses.

In the USA, the major benchmarks slipped by around 1%. Of the Dow Jones Industrial Average's components, only telecom stocks rose, and the financial sector's shares were the weakest performers.

Given that the Fed seems less and less likely to launch the tapering of its monetary stimulus programme in December, the dollar firmed materially to the euro on Friday. It has been trading in a relatively narrow range (1.354-1.359) since Monday morning.

In Asia, the sentiment was positive this morning; Europe's markets opened the week with slight loss.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,35	↑	2	↑	2
US 10Y	2,63	↓	-1	↑	1
JP 2Y	0,10	↓	0	↓	-1
JP 10Y	0,65	↓	-1	↓	-5
GER 2Y	0,16	↓	-1	↑	0
GER 10Y	1,82	↑	0	↑	6

CENTRAL BANKS' RATES

	Rate (%)		6M Consensus		1Y Consensus
Fed Funds	0,25	→	0,25	→	0,25
ECB Rate	0,50	→	0,50	→	0,50
BOE Rate	0,50	→	0,50	→	0,50
BOJ Rate	0,10	→	0,10	→	0,10
SNB Target	0,00	→	0,00	→	0,00

MONEY MARKET

	Rate (%)		Daily chg (bp)		Weekly chg (bp)
US 3M Libor	0,24	↑	0	↓	-1
US 2Y Swap	0,44	↑	1	↓	0
US 5Y Swap	1,53	↑	1	↓	-2
EUR 3M Euribor	0,23	→	0	→	0
EUR 2Y Swap	0,56	↑	1	↓	0
EUR 5Y Swap	1,26	↓	-3	↑	1
GB 3M Libor	0,52	→	0	→	0
GB 2Y Swap	0,82	↓	-1	↓	-4
GB 5Y Swap	1,74	↓	-1	↓	-4
JP 3M Libor	0,15	↓	0	↓	-1
JP 2Y Swap	0,20	↓	-2	↓	-4
JP 5Y Swap	0,35	↓	-1	↓	-4
CHF 3M Libor	0,02	↓	0	↓	0
CHF 2Y Swap	0,12	↑	1	↓	-1
CHF 5Y Swap	0,65	↓	-1	↓	-1

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	109,5	↓	-0,16	↑	1,45
Gold	1 324	↑	0,24	↑	2,99

Source: Reuters, OTP Research

According to HSBC's October index, the sentiment slightly deteriorated in China's service sector. That said, the 42.4-point reading still projects the sector's growth. In line with expectations, consumer prices in Switzerland declined again, in year/year terms.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday			No data			
Tuesday	DE	Aug	Export (mom, %)	1,0	1,5	-0,8
	DE	Aug	Industrial orders (mom, %)		1,2	-2,7
	CH	Sep	CPI (yoy, %)	-0,1	-0,1	0,0
	CN	Oct	HSBC services PMI (point)	52,4	-	52,8

Source: Reuters, OTP Research

Chief Economist
Gergely Tardos
tardosg@otpbank.hu
+36 1 374 7273

FX/FI Strategist
Levente Pápa
papal@otpbank.hu
+36 1 354 7490

Fundamental Analyst
Gábor Dunai
dunaig@otpbank.hu
+36 1 374 7272

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