

## Headquarter Treasury Sales

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# Daily Report – Global markets

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	15 168	↓ -0,87	↑ 2,65
S&P500	1 698	↓ -0,71	↑ 2,57
Nasdaq100	3 245	↓ -0,35	↑ 2,88
Russell2000	1 080	↓ -0,98	↑ 3,09
Stoxx600	315	↑ 0,83	↑ 2,60
DAX	8 804	↑ 0,92	↑ 2,91
FTSE 100	6 549	↑ 0,64	↑ 2,88
CAC40	4 256	↑ 0,78	↑ 2,96
ATX	2 548	↑ 1,12	↑ 2,84
IBEX35	9 805	↑ 1,13	↑ 5,22
Nikkei 225	14 442	↑ 0,26	↑ 2,88
Hang Seng	23 337	↑ 0,51	↑ 0,68
SSEC	2 233	↓ -0,19	↑ 1,60
SENSEX	20 548	↓ -0,29	↑ 2,82
RTS	1 495	↑ 1,45	↑ 1,61
Bovespa	54 981	↑ 1,50	↑ 5,10

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3513	↓ -0,07	↓ -0,07
EUR/CHF	1,2351	↑ 0,10	↑ 0,38
USD/GBP	1,5996	↑ 0,09	↑ 0,26
USD/JPY	98,47	↑ 0,32	↑ 1,17
AUD/USD	0,9516	↓ -0,09	↑ 0,82
USD/CAD	1,0372	↓ -0,07	↓ -0,18

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	18,7	↑ 2,6	↓ -1,7
EMBI+ Spread	287	↓ -6	↓ -5
CDS 5Y PIIS	196	↓ -5	↓ -15
CDS 5Y Italy	178	↓ -3	↓ -17
CDS 5Y Belg.	32	↓ 0	↓ -2
iTraxx 5Y EU	91,8	↓ -6	↓ -7
US TED Spread	14,1	→ 0	↓ -8

Source: Reuters, OTP Research

**Summary**

- Fitch placed the USA's AAA debt rating on rating watch negative last night.
- Tuesday's European trading was optimistic, but investors lost confidence by the time US session began.
- While Germany's Zew index has beaten expectations, the New York Fed's October survey found that American manufacturing companies had become more pessimistic.

European trading was fairly positive, benefiting from Monday's optimistic announcements on raising the US debt ceiling, and of the better-than-expected gauge of Germany's Zew index. In the buoyant mood, the DAX hit a new all-time high, to end the session with 0.9% gain. France's CAC40 rose by 0.8% and London's FTSE added 0.32%.

After US market close, Fitch announced to put the USA's AAA debt rating on rating watch negative, citing the protracted debate over the debt ceiling. The US administration's failure to meet its debt servicing obligations would prompt Fitch to downgrade it to restrictive default. The rating agency will monitor the duration and the manner of the agreement, as well as the probability of the risk that this episode recurs. But the tug of war around the agreement may lead to a downgrade, Fitch warns.

In the USA, the sentiment soured as the rift between Democrats' and Republicans' positions had not narrowed in budgetary issues. Back on Monday, an agreement seemed conceivable that by mid-January, the shutdown would have been released, but the debt ceiling would have been extended until 7 February. However, Republicans attached further amendments to Monday's draft, which were refused by the White House.

American indices ended Tuesday's hectic trading 0.4-0.9% lower. All of the S&P's sector indices declined yesterday, with the utilities sub-index seeing the heaviest loss (-1.4%). The key figures in Citigroup Q3 earnings report have slightly undershot analysts' consensus. The bank's USD 18 bn revenue misses forecasts by 2%, but its net profit of USD 3.2 bn corresponds to one dollar per share. This is slightly less than the USD 1.04 EPS analysts had forecast. Yahoo gave account of falling revenue and profit in the third quarter. Its USD 1.08 bn revenue translates into 1% YoY drop. Its net result shrank to USD 297 mn, from last year's USD 3.2 bn.

In this morning's Asian trading, the key indices oscillated around their Tuesday's closing values, to end with modest losses. This morning, European indices opened with moderate gains, thus the announcement Fitch made last night has not causes panic so far.

**GOV'T BOND MARKET**

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,35	↓	0	↓	-2
US 10Y	2,74	↑	0	↑	12
JP 2Y	0,10	↓	0	↓	-1
JP 10Y	0,67	↑	2	↑	2
GER 2Y	0,19	↑	0	↑	3
GER 10Y	1,90	↑	4	↑	9

**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	↓	0
US 2Y Swap	0,46	↓	-1	↓	-1
US 5Y Swap	1,56	↓	-2	↑	1
EUR 3M Euribor	0,23	↓	0	↓	0
EUR 2Y Swap	0,57	↓	0	↓	-1
EUR 5Y Swap	1,30	↑	0	↑	3
GB 3M Libor	0,52	↑	0	↑	0
GB 2Y Swap	0,89	→	0	↓	0
GB 5Y Swap	1,81	↓	-2	↑	0
JP 3M Libor	0,14	→	0	↓	-1
JP 2Y Swap	0,20	↓	-1	↓	0
JP 5Y Swap	0,35	↓	-2	↑	0
CHF 3M Libor	0,02	→	0	↓	0
CHF 2Y Swap	0,13	↑	1	↑	5
CHF 5Y Swap	0,73	→	0	↑	10

**COMMODITIES**

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	109,8	↓	-0,12	↑	0,71
Gold	1 282	↑	0,13	↓	-1,90

Source: Reuters, OTP Research

Wrong-footing analysts who had expected stagnation, Germany's Zew index rose to 52.8 points in October, from the previous month's 49.6. Respondents of the survey found that economic outlook has significantly improved, possibly signaling that investors feel that the eurozone's recession has come to an end.

According to the New York Fed's data, US manufacturing companies are less optimistic than had been thought. The main index sank to 1.5 points, from 6.3 in September, defying the consensus of 4.5. The index's fall can be put down to the deteriorated outlook on the labour market and sales.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	UK	Sep	CPI (yoy, %)	2,7	2,6	2,7
	DE	Oct	ZEW economic sentiment (point)	52,8	49,6	49,6
	US	Oct	New York Fed manufacturing (point)	1,5	7,0	6,3
Wednesday	EZ	Sep	Inflation (final, yoy, %)		1,1	1,1
	EZ	Sep	Inflation (final, mom, %)		0,5	0,1

Source: Reuters, OTP Research

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