

## Headquarter Treasury Sales

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# Daily Report – Global markets

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	15 570	↑ 0,39	↑ 1,11
S&P500	1 760	↑ 0,44	↑ 0,88
Nasdaq100	3 384	↑ 0,64	↑ 0,89
Russell2000	1 118	↓ -0,04	↑ 0,32
Stoxx600	320	↓ -0,09	↑ 0,51
DAX	8 986	↑ 0,06	↑ 1,36
FTSE 100	6 721	↑ 0,12	↑ 1,49
CAC40	4 272	↓ -0,08	↓ -0,32
ATX	2 541	↓ -0,35	↓ -1,22
IBEX35	9 816	↓ -1,01	↓ -1,86
Nikkei 225	14 088	↓ -2,75	↓ -4,12
Hang Seng	22 698	↓ -0,60	↓ -2,75
SSEC	2 133	↓ -1,45	↓ -2,77
SENSEX	20 684	↓ -0,20	↓ -0,95
RTS	1 492	↓ -0,11	↓ -1,61
Bovespa	54 154	↓ -1,32	↓ -2,21

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3797	↓ -0,05	↑ 0,85
EUR/CHF	1,2332	↑ 0,11	↓ -0,04
USD/GBP	1,6164	↓ -0,22	↑ 0,12
USD/JPY	97,60	↑ 0,20	↓ -0,59
AUD/USD	0,9602	↑ 0,24	↓ -0,48
USD/CAD	1,0435	↓ -0,11	↑ 1,31

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,1	↓ -0,1	↑ 0,1
EMBI+ Spread	287	↓ -6	↓ -5
CDS 5Y PIIS	188	↑ 4	↓ -3
CDS 5Y Italy	173	↑ 8	↑ 2
CDS 5Y Belg.	32	↓ 0	↑ 0
iTraxx 5Y EU	86,7	↑ 0	↓ -2
US TED Spread	20,2	→ 0	↓ -1

Source: Reuters, OTP Research

**Summary**

- Friday's trading in Europe lacked direction but was optimistic in the USA.
- The UK's economy grew by 0.8% QoQ, and by 1.5% YoY in the third quarter.
- US durable goods orders increased by 3.7% in September, mostly lifted by the rather volatile aircraft sector.

Europe's key markets were lacking direction in Friday's trading. One reason for benchmarks' poor performance was the unexpected decline in Germany's IFO business climate index for October. Besides, the worse-than-expected earnings reports (by Electrolux and Volvo) warned European investors to be cautious. France's CAC40 inched 0.1% down, while the Footsie in London and Germany's DAX could achieve modest gains by the close.

On Friday night, Fitch affirmed its BBB+ rating on Italy's long-term sovereign debt and a confluence of factors (e.g. political turmoil, and protracted recession) made it sustain negative outlook. Italy's growth potential is weaker than that of the countries with similar rating and of the eurozone's countries, the rating agency found.

Friday's trading was confident in the USA, benefiting from the better-than-expected corporate earnings reports and industrial orders data. Even the University of Michigan's consumer sentiment index's plunge to ten-month low could not sour the positive sentiment. The Dow advanced almost 0.4%, whereas the S&P's 0.44% surge led it to a fresh record high. The Nasdaq upped by 0.6%, to a mark last seen in 2000. All of the S&P's sector indices closed in the green, with utilities (+1.1%) being the strongest sub-index. After US markets closed on Thursday, Amazon.com and Microsoft revealed their Q3 reports, with figures that beat expectations. In response, their share prices shot up 9.4% and 6% respectively in Friday's session.

Optimism prevailed in this morning's Asian trading, with all major stock market indices climbing higher.

**GOV'T BOND MARKET**

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,31	⇒ 0	↓ -1
US 10Y	2,51	↓ -1	↓ -8
JP 2Y	0,10	↑ 0	↑ 0
JP 10Y	0,61	↑ 1	↓ -1
GER 2Y	0,19	↑ 2	↓ 0
GER 10Y	1,77	↓ -1	↓ -10

**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	0,42	↑ 2	↓ -1
US 5Y Swap	1,44	↑ 3	↓ -5
EUR 3M Euribor	0,23	↑ 0	↑ 0
EUR 2Y Swap	0,58	↑ 1	↑ 2
EUR 5Y Swap	1,20	↓ -1	↓ -5
GB 3M Libor	0,52	↓ 0	↓ 0
GB 2Y Swap	0,79	↓ -1	↓ -1
GB 5Y Swap	1,64	↑ 0	↓ -1
JP 3M Libor	0,14	⇒ 0	⇒ 0
JP 2Y Swap	0,20	↑ 0	↓ -1
JP 5Y Swap	0,33	↑ 0	↓ -1
CHF 3M Libor	0,02	⇒ 0	⇒ 0
CHF 2Y Swap	0,10	↓ -1	↓ -5
CHF 5Y Swap	0,61	⇒ 0	↓ -5

**COMMODITIES**

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	107,2	↑ 0,23	↓ -2,24
Gold	1 349	↓ -0,19	↑ 2,59

Source: Reuters, OTP Research

Instead of the expected growth, the German IFO business climate index fell in October: the survey of business climate fell back to 107.4 points, from the 107.7 gauged in September.

The UK published its Q3 GDP data on Friday. In its fastest growth for three years, the UK's economy increased by 0.8% QoQ and 1.5% YoY in Q3. The favourable results did not take markets by surprise, as these numbers fully matched market consensus.

In encouraging signs for demand in the USA, durable goods orders surged by a whopping 3.7% in September – nearly twice as much as the market had expected. It was the 57.5% skyrocketing in the aircraft sector's orders that pulled the index higher. Without this extremely volatile sector, orders for durable goods would be at -0.1%. New orders for capital goods, a reliable indicator of investment plans, fell 1.1%.

The University of Michigan's consumer sentiment index fell to ten-month low, dropping from 77.5 points in September to 73.2 in October. The main index's sinking can be put down to the fact that the sub-index for the assessment of the current conditions dropped to 89.9 points (from 92.6 in September), while the sub-index of the outlook for the next six months dropped to 62.5 points (from 67.8).

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	DE	Oct	Markit Mfg flash PMI (points)	107,4	108,0	107,7
	UK	Q3	GDP (preliminary, y-o-y, %)	1,5	1,5	1,3
	US	Oct	Durable goods orders	3,7	2,0	0,2
	US	Oct	Michigan Sentiment (final, points)	73,2	75,0	75,2
Monday	US	Sep	Industrial output (mom, %)		0,4	0,4
	US	Sep	Pending sales change (mom, %)		-0,1	-1,6

Source: Reuters, OTP Research

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