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Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	15 680	↑ 0,72	↑ 1,38
S&P500	1 772	↑ 0,56	↑ 0,98
Nasdaq100	3 392	↑ 0,27	↑ 0,74
Russell2000	1 122	↑ 0,36	↑ 0,57
Stoxx600	321	↑ 0,40	↓ -0,06
DAX	9 022	↑ 0,48	↑ 0,83
FTSE 100	6 726	↑ 0,07	↑ 1,08
CAC40	4 278	↑ 0,62	↓ -0,40
ATX	2 567	↑ 1,14	↑ 0,04
IBEX35	9 864	↑ 1,31	↓ -1,49
Nikkei 225	14 502	↑ 1,23	↑ 0,53
Hang Seng	23 066	↑ 0,96	↑ 0,29
SSEC	2 155	↑ 1,25	↓ -1,27
SENSEX	20 967	↑ 0,18	↑ 0,96
RTS	1 492	↓ -0,10	↓ -1,78
Bovespa	54 539	↓ -0,97	↓ -3,40

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3744	↓ -0,01	↓ -0,22
EUR/CHF	1,2361	↑ 0,06	↑ 0,58
USD/GBP	1,6045	↓ -0,58	↓ -0,72
USD/JPY	98,18	↑ 0,01	↑ 0,84
AUD/USD	0,9492	↑ 0,19	↓ -1,39
USD/CAD	1,0458	↓ -0,09	↑ 0,74

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,4	↑ 0,1	↑ 0,1
EMBI+ Spread	287	↓ -6	↓ -5
CDS 5Y PIIS	186	↓ -2	↓ -4
CDS 5Y Italy	169	↓ -4	↓ -6
CDS 5Y Belg.	31	↓ -1	↓ -1
iTraxx 5Y EU	85,0	↓ -2	↓ -2
US TED Spread	18,6	→ 0	↓ -2

Source: Reuters, OTP Research

Summary

- The statement to be released after the Fed's policy setting meeting tonight may contain hints as to the starting date of QE3 tapering.
- Ahead of the Fed's decision, the dollar continued its slight firming to the euro, driving the EUR/USD to 1.376.
- Most indices in Asia closed at least 1% higher; Western Europe opened confidently.

All of the leading indices of Europe and the USA made gains on the first day of the Fed's two-day meeting. The main questions are whether the subsequent announcement will contain any guidance about when scaling back QE3 may begin and whether it will include warning about taking excessive risks as the key indices of the USA have grown by near 25% since the beginning of 2013.

Although Nokia published worse-than-expected revenue figures on Tuesday, the minimum positive surprise on the net profit line (1 cent of EPS, instead of the expected 0; the first positive reading in five quarters), triggered favourable reaction, boosting the stock price by 7% after the report was released.

The dollar continued its slight appreciation to the euro – ahead of the Fed's decision; the EUR/USD is at 1.374. Most of Asia's major indices gained more than 1% in today's session, and Western Europe opened optimistically.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,31	↓ 0	↑ 1
US 10Y	2,51	↓ -1	↑ 0
JP 2Y	0,10	↓ -1	↓ 0
JP 10Y	0,61	↓ -1	↓ -1
GER 2Y	0,20	↓ -1	↑ 1
GER 10Y	1,75	↓ -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	↑ 1	↓ -2
US 5Y Swap	1,39	↑ 0	↓ -2
EUR 3M Euribor	0,23	↓ 0	↑ 1
EUR 2Y Swap	0,57	↑ 1	↑ 4
EUR 5Y Swap	1,18	↓ -3	↓ 0
GB 3M Libor	0,51	↓ 0	↓ 0
GB 2Y Swap	0,78	⇒ 0	↓ -1
GB 5Y Swap	1,62	↓ -1	↓ -1
JP 3M Libor	0,14	⇒ 0	⇒ 0
JP 2Y Swap	0,20	↓ 0	↓ -1
JP 5Y Swap	0,32	↓ -1	↓ -1
CHF 3M Libor	0,02	⇒ 0	⇒ 0
CHF 2Y Swap	0,12	↑ 2	↑ 2
CHF 5Y Swap	0,62	⇒ 0	↓ -1

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	109,0	↓ -0,02	↑ 1,10
Gold	1 346	↑ 0,19	↑ 1,09

Source: Reuters, OTP Research

Tonight's Fed decision – as well as its communication, given that the US key policy rate is unlikely to change for quite a while – steals the spotlight from labour market and inflation data.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	JP	Sep	Industrial output (preliminary, mom, %)	1,5	1,8	-0,9
	US	Sep	Retail sales (mom, %)	-0,1	0,1	0,2
	US	Aug	CaseShiller20 (yoy, %)	12,8	12,5	12,4
Wednesday	JP	Oct	Manufacturing PMI (point)			52,5
	DE	Oct	Unemployment rate (%)		6,9	6,9
	EZ	Oct	Economic sentiment (point)		97,5	96,9
	US	Oct	ADP employment report ('000)		150,0	166,0
	US	Sep	CPI (y/y, %)		1,2	1,5
	DE	Oct	CPI (preliminary, y/y, %)		1,4	1,4
US	Oct	Fed rate decision (%)		-	0,25	

Source: Reuters, OTP Research

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