

## Treasury Sales Team

### Headquarter Treasury Sales

**Alexandru Tibuleac**  
0372 31 85 85  
alexandru.tibuleac@otpbank.ro

**Alina Gheorghita**  
0372 31 85 84  
alina.gheorghita@otpbank.ro

**Corina Bejan**  
021 308 1560  
corina.bejan@otpbank.ro

**Andreea Nica**  
021 307 58 27  
andreea.nica@otpbank.ro

### Regional Treasury Sales

**Szilamer Kozma - Cluj**  
0755 000 400  
szilamer.kozma@otpbank.ro

**Tudor Zaman - Bucuresti**  
0372 31 85 86  
tudor.zaman@otpbank.ro

**Laura Sirbu - Bucuresti**  
0372 31 85 83  
laura.sirbu@otpbank.ro

**Alexandru Sabin - Arad**  
0730 577 959  
alexandru.sabin@otpbank.ro



## Daily Report – Global Markets

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 790	↑ 0,08	↑ 4,62
S&P500	1 980	↓ -0,36	↑ 5,09
Nasdaq100	4 307	↓ -0,57	↑ 5,47
Russell2000	1 134	↓ -0,70	↑ 3,00
Stoxx600	360	↑ 0,58	↑ 6,24
DAX	9 903	↑ 0,90	↑ 4,79
FTSE 100	6 326	↑ 0,43	↑ 7,06
CAC40	4 661	↑ 0,95	↑ 7,30
ATX	2 325	↑ 1,32	↑ 6,26
IBEX35	10 103	↑ 1,32	↑ 7,55
Nikkei 225	18 323	↑ 0,75	↑ 5,38
Hang Seng	22 177	↑ 1,58	↑ 6,38
SSEC	3 053	⇒ 0,00	⇒ 0,00
SENSEX	27 024	↑ 0,34	↓ -0,60
RTS	827	↑ 2,67	↑ 5,43
Bovespa	47 735	↑ 0,29	↑ 8,16

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1268	↑ 0,74	↑ 0,78
EUR/CHF	1,0897	↓ -0,14	↑ 0,01
USD/GBP	1,5221	↑ 0,52	↑ 0,62
USD/JPY	120,02	↓ -0,17	↑ 0,15
AUD/USD	0,7183	↑ 0,28	↑ 2,37
USD/CAD	1,3012	↓ -0,15	↓ -2,25
USD/RUB	63,08	↓ -0,32	↓ -3,44

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	19,4	↓ -0,1	↓ -7,4
CDS 5Y PIIS	19	↓ -5,0	↓ -3,9
CDS 5Y Italy	95	↓ -4,3	↓ -2,0
CDS 5Y Belg.	105	↓ -1,3	↓ -1,6
iTraxx 5Y EU	29,1	↓ -2,3	↓ -7,1
US TED Spread	84,1	⇒ 0,0	↑ 0,2

Source: Reuters, OTP Research

**Summary**

- There was mixed sentiment on the world's stock markets on Tuesday.
- The VW scandal is widening.
- The IMF has published its World Economic Outlook with analyses on the world economy's health and prospects.
- The price of oil jumped higher yesterday.

Trading sentiment on Europe's stock exchanges was slightly positive yesterday – the DAX rose by 0.9%, the CAC 40 added 0.95%, the Stoxx 600 upped 0.58%, and the FTSE climbed 0.43% higher. Volkswagen said the scandal may affect around 8 million cars in Europe. The Volkswagen group must introduce major austerity measures, mostly involving the Volkswagen brand. The measures will include curbing the investment programme announced for 2015-2019, re-negotiating supplier agreements, and terminating a number of senior management positions. Reacting to the scandal, France announced to phase out subsidies for diesel engines within five years. Italy's Il Giornale daily said Fiat would offer EUR 1,500 as incentive for Volkswagen owners to replace their cars to Fiat. The low oil prices may force Norway's government to tap its wealth fund in 2016, to make up for the lost budget revenues.

Trading sentiment in America was slightly sour. The S&P 500 sank 0.36%, the Nasdaq100 shed 0.57%, and the Russell 2000 slipped 0.7%. In its World Economic Outlook, the IMF evaluated the current and future health of the world economy, and revised its forecasts. The main conclusion is the 3.1% forecast on global growth this year, which is 0.2% lower than its July calculation. Growth in developing countries may slow further, but pick up in developed ones. The falling crude prices and the subdued capital flows pose considerable risks in a number of developing countries, as does the dollar's probable firming. The medium-term risk in developed countries is that the muted growth rate may turn into stagnation over time.

At one point on Tuesday, the Brent rallied 5%; this morning it was seen 1.5% higher. The huge increase stems from yesterday's IEA's forecast on rising demands, and from news on negotiations between Saudi Arabia and Russia. Nevertheless, in yesterday's Oil and Money conference, OPEC's secretary-general said the strategy to boost the Saudi market share cannot last more than two years. He also called on OPEC and non-OPEC oil producers to lower the considerable oversupply on the world market. Owing to the low oil prices, investments in the oil industry are likely to fall 20% this year, from 2014. OPEC secretary-general predicted a rise in oil price in the next few months.

**GOV'T BOND MARKET**

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,61	↑	0	↓	-5
US 10Y	2,04	↓	-1	↓	-3
JP 2Y	0,01	→	0	↓	-1
JP 10Y	0,33	↑	1	↓	-1
GER 2Y	-0,25	↑	2	↑	0
GER 10Y	0,56	↑	5	↓	-1

**CENTRAL BANKS' RATES**

	Rate (%)		6M Consensus		1Y Consensus
Fed Funds	0,25	↑	0,5	↑	1,00
ECB Rate	0,05	→	0,05	→	0,05
BOE Rate	0,50	→	0,50	↑	1,00
BOJ Rate	0,10	→	0,10	→	0,10
SNB Target	-0,75	→	-0,75	→	-0,75

**MONEY MARKET**

	Rate (%)		Daily chg (bp)		Weekly chg (bp)
US 3M Libor	0,32	↑	0	↑	0
US 2Y Swap	0,73	↑	1	↓	-1
US 5Y Swap	1,39	↑	3	↑	6
EUR 3M Euribor	-0,05	→	0	↓	-1
EUR 2Y Swap	0,04	↓	0	↓	0
EUR 5Y Swap	0,35	↑	1	↑	1
GB 3M Libor	0,58	↑	0	↑	0
GB 2Y Swap	0,00	↑	1	↓	-1
GB 5Y Swap	0,00	↓	0	↓	-1
JP 3M Libor	0,08	↓	0	↓	0
JP 2Y Swap	0,09	↓	0	↓	-1
JP 5Y Swap	0,18	↓	0	↓	-1
CHF 3M Libor	-0,73	↑	0	↓	0
CHF 2Y Swap	-0,73	↓	-2	↓	-2
CHF 5Y Swap	-0,45	↓	-1	↓	-4

**COMMODITIES**

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	52,7	↑	1,44	↑	8,89
Gold	1 151	↑	0,39	↑	3,28

Source: Reuters, OTP Research

Germany published disappointing industrial orders data yesterday: the August reading shrank 1.8% since July. In the UK, the Halifax house price index grew by 8.6% from the previous year, which is short of both analysts' expectations and the previous month's reading. In Switzerland, inflation came down 1.4% in September from the same month of 2014, in line with expectations. This morning's release of Japan's leading economic indicator stood at -1.5 in September, signifying a slight improvement from the previous month. Germany's industrial output dropped by 1.2% in August, vastly missing analysts' predictions. Today Britain will publish industrial production statistics for August, and consumer credit data for August are due out in the USA.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	DE	Aug	Industrial orders (mom, %)	-1,8	0,5	-2,2
	GB	Sep	Halifax house price index, 3-month average (yoy, %)	8,6	9,0	9,0
	CH	Sep	CPI (yoy, %)	-1,4	-1,4	-1,4
Wednesday	JP	Sep	Leading indicator	-1,5		-1,6
	DE	Aug	Industrial production (MoM, %)	-1,2	0,2	0,7
	UK	Aug	Industrial production (MoM, %)		0	0
	US	Aug	Consumer credit (billion dollar)		19,0	19,1

Source: Reuters, OTP Research

**Chief Economist**

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

**Fundamental Analyst**

Dániel Módos  
modosd@otpbank.hu  
+36 1 354 7312

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