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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 084	↑ 0,20	↑ 3,72
S&P500	2 015	↑ 0,07	↑ 3,26
Nasdaq100	4 370	↑ 0,46	↑ 2,40
Russell2000	1 165	↑ 0,18	↑ 2,08
Stoxx600	363	↑ 0,33	↑ 4,30
DAX	10 097	↑ 1,04	↑ 5,69
FTSE 100	6 416	↑ 0,65	↑ 4,67
CAC40	4 701	↑ 0,54	↑ 5,44
ATX	2 362	↑ 0,59	↑ 5,62
IBEX35	10 310	↑ 1,26	↑ 7,35
Nikkei 225	18 439	↑ 1,64	↑ 4,03
Hang Seng	22 669	↑ 0,94	↑ 3,73
SSEC	3 279	↑ 3,00	↑ 7,40
SENSEX	27 079	↓ 0,00	↓ -0,60
RTS	886	↑ 3,45	↑ 15,82
Bovespa	49 338	↑ 0,47	↑ 4,90

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1354	↑ 0,67	↑ 1,65
EUR/CHF	1,0919	↑ 0,25	↑ 0,18
USD/GBP	1,5303	↓ -0,27	↑ 1,06
USD/JPY	120,14	↓ -0,09	↓ -0,26
AUD/USD	0,7330	↓ -0,01	↑ 3,52
USD/CAD	1,2915	↓ -0,20	↓ -1,29
USD/RUB	60,90	↓ -1,46	↓ -5,55

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	17,1	↓ -0,3	↓ -3,9
CDS 5Y PIIS	17	↓ -0,1	↓ -5,8
CDS 5Y Italy	94	↓ -0,2	↓ -5,2
CDS 5Y Belg.	104	⇒ 0,0	↓ -1,3
iTraxx 5Y EU	29,1	↓ -4,0	↓ -12,3
US TED Spread	79,0	⇒ 0,0	↓ -0,7

Source: Reuters, OTP Research

Summary

- Optimism ruled European markets in Friday's trading.
- US indices eked out small gains on Friday.
- Trading in Asia was buoyant this morning.

The buoyancy Europe's markets witness on Friday was fuelled by Thursday's release of the minutes of the Fed's recent meeting. It suggested that the deceleration in the world economy did not urge the Fed's decision-makers to hike interest rates in the USA shortly. The Footsie upped 0.6%, the DAX climbed 1% higher, and the CAC40 inched up 0.5%. Commodity producers did well on Friday: Boliden AB, the zinc producer surged 13% following Glencore's announcement to cut its annual production by a third; the latter's share price soared 7%. ArcelorMittal and Anglo American Plc gained 6% each. Car manufacturers also had a good day on Friday; the sector showed its best weekly performance since 2011. PSA Peugeot Citroen and Volkswagen marched 2.8% higher each. During weekend, Fiat Chrysler's (FCA) management gave details on Ferrari's stock market debut. FCA currently holds a 90% stake in Ferrari, and up to 10% of that may be introduced on stock markets, in the price range of 48-52 USD/shares. This puts Ferrari's market value at up to USD 9.8 billion. Assuming a 10% stake, FCA could raise up to USD 982 million in the offering.

US markets lacked a single direction most of the day, but buyers showed up at the before the close, helping indices close higher. Investors on the US markets were inspired by Thursday's Fed messages. The Dow added 0.2%, the NASDAQ rose by 0.5%, and the S&P inched up 0.1%. The S&P's sector indices closed mixed on Friday; health care was the strongest sub-index (+0.5%), and energy was the weakest sector (-0.7%). A selloff pushed Tesla's stock price 2.7% lower. As a result, Barclays' analysts issued Sell recommendation for the car manufacturer's shares, citing the lack of breakthrough in the recently presented Model X, and cut the target price of Tesla stocks to USD 180. GAP contracted 5.3% on the announcement that its September sales dropped 1% owing to the stronger dollar. This made MKM Partners' analysts lower the retail firm's target price to USD 29, from 40.

Later this week, American big banks will publish their Q3 earnings figures. JP Morgan's report is due out on Tuesday; the Bank of America and Wells Fargo are to publish their results on Wednesday. The quarterly figures of Citigroup and Goldman Sachs will be released on Thursday.

This morning Asia's markets were optimistic. Base material and industrial sectors fared well, as the weaker dollar gave new impetus to a rise in raw material prices. Japan's indices closed 1.6-2.4% higher, while China's benchmarks rose by 1.1-3.4% on the first day of the week.

GOV'T BOND MARKET				
	Yield (%)	Daily chg (bp)	Weekly chg (bp)	
US 2Y	0,63	↑ 1	↓	-2
US 10Y	2,10	↑ 3	↑	5
JP 2Y	0,01	↑ 0	↓	0
JP 10Y	0,33	↓ -1	↑	0
GER 2Y	-0,25	↓ -1	↑	1
GER 10Y	0,60	↑ 2	↑	4

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	0,75	↓ -1	↑	2
US 5Y Swap	1,42	↓ 0	↑	5
EUR 3M Euribor	-0,05	↓ 0	↓	-1
EUR 2Y Swap	0,05	↑ 0	↑	2
EUR 5Y Swap	0,37	↑ 1	↑	3
GB 3M Libor	0,57	↓ 0	↑	0
GB 2Y Swap	0,96	↓ -1	↑	1
GB 5Y Swap	1,47	↓ 0	↑	3
JP 3M Libor	0,08	↓ 0	↓	0
JP 2Y Swap	0,09	↓ -1	↑	1
JP 5Y Swap	0,19	↓ 0	↑	3
CHF 3M Libor	-0,72	→ 0	↑	1
CHF 2Y Swap	-0,35	↑ 35	↑	38
CHF 5Y Swap	-0,42	↓ -1	↑	4

COMMODITIES				
	Close	Daily chg. (%)	Weekly chg. (%)	
Oil Brent	52,9	↑ 0,40	↑	7,33
Gold	1 164	↑ 0,61	↑	2,52

Source: Reuters, OTP Research

At the weekend's annual conference of the IMF and the World Bank, Sabine Lautenschlaeger, member of the ECB's monetary decision-making body said that the vulnerability of some EZ economies is still considerable. In other words, their ability to withstand to any unfavourable external shock is limited, and they struggle to kick-start another period of sustainable growth. In her opinion, monetary policy is not a panacea, thus governments shall complete the reforms as long as monetary easing facilitates it.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	US	Aug	Wholesale Inventories (mom, %)	0,1	0,0	-0,1
Monday			No data			

Source: Reuters, OTP Research

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