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## Daily Report – Global Markets

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 730	↓ -1,00	↓ -0,55
S&P500	2 079	↓ -0,98	↓ -1,21
Nasdaq100	4 656	↓ -1,10	↓ -1,03
Russell2000	1 184	↓ -1,27	↓ -0,60
Stoxx600	376	↓ -1,07	↓ -0,23
DAX	10 815	↓ -1,57	↓ -1,23
FTSE 100	6 295	↓ -0,92	↓ -1,05
CAC40	4 911	↓ -1,46	↓ -0,10
ATX	2 477	↓ -0,69	↑ 1,77
IBEX35	10 325	↓ -1,22	↓ -0,89
Nikkei 225	19 671	↑ 0,15	↑ 5,29
Hang Seng	22 448	↓ -1,23	↓ -0,53
SSEC	3 652	↑ 0,14	↑ 10,11
SENSEX	25 977	↓ -0,55	↓ -0,60
RTS	855	↑ 0,11	↑ 0,17
Bovespa	46 195	↓ -1,54	↑ 0,71

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0749	↑ 0,10	↓ -2,02
EUR/CHF	1,0787	↓ -0,14	↓ -0,59
USD/GBP	1,5114	↑ 0,45	↓ -1,97
USD/JPY	123,26	↑ 0,07	↑ 1,83
AUD/USD	0,7055	↑ 0,17	↓ -1,81
USD/CAD	1,3269	↓ -0,11	↑ 1,62
USD/RUB	64,53	↓ -0,04	↑ 3,19

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	16,5	↑ 2,2	↑ 2,4
CDS 5Y PIIS	17	↑ 6,0	↑ 3,8
CDS 5Y Italy	92	↓ -0,5	↓ -3,0
CDS 5Y Belg.	88	↓ 0,0	↓ -1,6
iTraxx 5Y EU	25,9	↓ -0,1	↑ 0,0
US TED Spread	70,6	⇒ 0,0	↓ -1,8

Source: Reuters, OTP Research

**Summary**

- Trading sentiment on Monday was rather unsupportive on both sides of the Atlantic.
- In this morning's Asian trading sellers' supremacy pushed the key indices into the red.
- Consumer prices in China were up 1.3% YoY in October, according to the statistical office's data.

The week opened on low spirits in Western Europe as the uncertainty surrounding global growth made investors cautious on Monday. Last week's release on the better-than-expected US labour market data fuelled concerns that the Fed would embark on monetary tightening before the end of this year. All of Europe's key indices closed lower: the DAX dropped 1.6%, the CAC40 sank 1.5% and the Footsie fell 1%. On the corporate front, one of the losers of the day was Continental, whose stock price contracted by 5.3% as its earnings figures were short of expectations. Renault reversed 3.5%, after the French Prime Minister's words that France opposes the idea of the Renault-Nissan merger. Lufthansa did not have a good day – its share price dived 3.1% as the air company had to cancel hundreds of flights owing to a strike. Ericsson advanced almost 2% on the back of news on inking a partnership agreement with Cisco Systems, the network services provider.

The renewed fears that the Fed may raise interest rates have soured the sentiment in Monday's trading in America, sending the key indices 1% lower. The utilities sector was the only component of the S&P to close higher (+0.3%). The weakest sub-index was consumer discretionary (-1.4%). The financial and financial services sub-indices lost more than 1%.

The forthcoming Fed fund rate hike and the signs pointing to a slowing Chinese economy caused selling pressure in this morning's Asian trading. Japan's stock indices closed mixed: the Nikkei upped 0.2% while the TOPIX edged down. China's stock indices closed in the red: the Hang Seng slipped 1.5%, and the Shanghai Composite dipped 0.2%.

On Monday afternoon the EUR noticeably weakened against the USD, on the back of news that the ECB is prepared to cut the overnight deposit rate further. This came as no surprise by itself (the market has priced in a ten-basis-point cut) but Monday's reports suggest that Europe's central bank is mulling an even sharper cut. Consequently, the EUR/USD pierced below 1.0737 for a short while, diving from 1.0789.

GOV'T BOND MARKET					
	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,89	↓	-1	↑	13
US 10Y	2,35	↑	2	↑	18
JP 2Y	0,00	↓	0	↓	-1
JP 10Y	0,34	↓	0	↑	3
GER 2Y	-0,28	↑	3	↑	4
GER 10Y	0,69	↑	9	↑	18
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	0,34	↑	1	↑	2
US 2Y Swap	0,93	↓	-4	↑	7
US 5Y Swap	1,65	↓	-3	↑	15
EUR 3M Euribor	-0,07	→	0	↓	-1
EUR 2Y Swap	-0,04	↑	2	↓	-2
EUR 5Y Swap	0,26	↓	-6	↓	-2
GB 3M Libor	0,58	↓	0	↓	0
GB 2Y Swap	1,03	↓	-2	↓	-1
GB 5Y Swap	1,58	↑	1	↑	7
JP 3M Libor	0,08	↓	0	↓	-1
JP 2Y Swap	0,08	↓	-1	↓	-1
JP 5Y Swap	0,15	↓	-1	↓	-2
CHF 3M Libor	-0,76	↓	0	↓	-1
CHF 2Y Swap	-0,90	↓	-4	↓	-10
CHF 5Y Swap	-0,63	↓	-2	↓	-8
COMMODITIES					
	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	47,3	↑	0,13	↓	-6,51
Gold	1 092	↑	0,06	↓	-2,22

Source: Reuters, OTP Research

Reversing the intensive fall gauged in August, both exports and imports rose reassuringly in September, Germany's statistical office reported on Monday. Recovering from the 5.2% plunge in August, exports grew by 2.6% in September (month on month, seasonally adjusted); while imports bounced 3.6% higher, up from a 3.2% decrease. The ailing of emerging markets has hit Germany's exports. The adverse effects of the Volkswagen scandal, which burst out only on 18 September, may be felt in the Q4 data only.

China released inflation statistics this morning. Consumer prices were 1.3% higher this October than a year earlier. Analysts had expected 1.5% increase after the 1.6% gauge in September – apparently, the economy's cooling was more pronounced than had been thought, at least in terms of prices. The producer price statistics published today also missed expectations; they fell 5.9% year/year in October – this is vastly higher than analysts had predicted (0.1 percentage point). The consumer and producer price indices both undershot forecasts, signalling weak domestic demand and excess capacity.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	DE	Sep	Exports (mom, %)	2,6	1,2	-5,2
	DE	Sep	Trade balance (monthly, EUR bn)	19,4	20,0	19,6
	EZ	Nov	Sentix index (point)	15,1	13,2	11,7
Tuesday	CN	Oct	CPI (yoy, %)	1,3	1,5	1,6
	US	Oct	Export prices (mom, %)		-0,2	-0,7
	US	Oct	Import prices (mom, %)		-0,1	-0,1

Source: Reuters, OTP Research

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