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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 245	↓ -1,16	↓ -3,71
S&P500	2 023	↓ -1,12	↓ -3,63
Nasdaq100	4 502	↓ -1,89	↓ -4,36
Russell2000	1 147	↓ -0,72	↓ -3,20
Stoxx600	370	↓ -0,81	↓ -2,74
DAX	10 708	↓ -0,69	↓ -2,54
FTSE 100	6 118	↓ -0,98	↓ -3,71
CAC40	4 808	↓ -1,00	↓ -3,54
ATX	2 398	↑ 0,29	↓ -3,82
IBEX35	10 111	↓ -0,32	↓ -3,27
Nikkei 225	19 394	↓ -1,04	↓ -1,27
Hang Seng	22 056	↓ -1,52	↓ -2,95
SSEC	3 585	↑ 0,11	↓ -1,70
SENSEX	25 709	↑ 0,38	↓ -0,60
RTS	815	↓ -2,05	↓ -4,61
Bovespa	46 517	↓ -0,78	↓ -0,86

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0777	↓ -0,37	↓ -0,19
EUR/CHF	1,0825	↑ 0,12	↑ 0,05
USD/GBP	1,5231	↑ 0,01	↑ 0,77
USD/JPY	122,37	↓ -0,20	↓ -0,65
AUD/USD	0,7114	↓ -0,21	↑ 1,01
USD/CAD	1,3301	↓ -0,16	↑ 0,14
USD/RUB	66,68	↓ -0,22	↑ 3,29

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	20,1	↑ 1,7	↑ 5,8
CDS 5Y PIIS	20	↑ 2,6	↑ 10,0
CDS 5Y Italy	96	↑ 0,9	↓ -0,9
CDS 5Y Belg.	88	↑ 0,0	↑ 0,2
iTraxx 5Y EU	26,1	↑ 2,3	↑ 2,1
US TED Spread	72,8	→ 0,0	↓ -6,0

Source: Reuters, OTP Research

Summary

- Friday's pessimistic trading pushed the key indices more than 1% lower on both sides of the Atlantic.
- Asia's markets fell in the aftermath of the terror attacks in Paris.

Pessimism ruled Europe's markets on Friday – the weaker-than-expected growth figures from the eurozone may have discouraged investors and the re-intensified fears of the Fed's monetary tightening in December did not help the fragile sentiment either. The Footsie shed almost 1%, the DAX dropped 0.7%, and the CAC40 dropped 1%. Retail and household goods companies were ailing across Europe. Hermes International SCA and Burberry Group Plc both contracted by 3.4%. Elektro AB lost 3% of its value on the news that Italy's authorities opened an investigation into the company's local operation to find out whether the antitrust law was violated. The shares of the energy sector and mining companies were not any better off. On the other hand, the telecommunications sector fared well on Friday.

Sellers took the upper hand in the USA too, where all the major indices closed down on Friday: the Dow shed 1.2%, the NASDAQ100 lost 1.9, and the S&P ended 1.1% lower. The slip in the crude's price did not benefit the fragile sentiment: the WTI dived more than 2% on Friday, trading just above USD 40 at the end of the US session. Basic materials (+1.3%) was the only sub-index of the S&P's 11 components to advance, and consumer discretionary (-2.6%) was its weakest constituent. The technology sector did not do well on Friday, when it fell almost 2%, dragged down by Cisco (-5.8%) and Netflix (-4.8%) among others.

Asia's stock markets opened lower in the aftermath of Friday's terror attacks in Paris; some of the key indices lost more than 1% this morning. Japan's Q3 GDP signifies recession again, which did not help the precarious sentiment.

Risk aversion is likely to be the buzzword on the world's stock markets today, and demand for safe haven assets (e.g. the USD, US bonds) will probably increase. There is no panic on Europe's markets but investors are selling stocks, sending the major indices 1% lower after the open.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,82	↓	-6	↓	-7
US 10Y	2,25	↓	-7	↓	-8
JP 2Y	0,00	↓	0	↓	-1
JP 10Y	0,30	↓	-1	↓	-4
GER 2Y	-0,35	↑	0	↓	-4
GER 10Y	0,61	↓	-1	↑	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	0,36	↑	0	↑	2
US 2Y Swap	0,90	↓	-2	↓	-7
US 5Y Swap	1,56	↓	-3	↓	-12
EUR 3M Euribor	-0,08	↓	0	↓	-1
EUR 2Y Swap	-0,09	↓	-1	↓	-3
EUR 5Y Swap	0,21	↓	-3	↓	-5
GB 3M Libor	0,58	⇒	0	↓	0
GB 2Y Swap	1,01	↓	-2	↓	0
GB 5Y Swap	1,54	↓	-4	↑	3
JP 3M Libor	0,07	⇒	0	↓	0
JP 2Y Swap	0,09	↑	1	↓	0
JP 5Y Swap	0,15	↓	0	↓	-1
CHF 3M Libor	-0,79	↓	-1	↓	-4
CHF 2Y Swap	-0,93	↓	0	↓	-7
CHF 5Y Swap	-0,65	↓	-2	↓	-5

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	44,8	↑	2,77	↓	-5,02
Gold	1 098	↑	1,34	↑	0,77

Source: Reuters, OTP Research

The eurozone's Q3 GDP reading signifies slower-than-expected growth. The currency union's output was up 0.3% in the third quarter according to the preliminary data.

Friday's release on October's retail sales data in the USA was somewhat short of forecasts. The worst-than-expected monthly growth can be put down to the sizeable fall in fuel retail.

The University of Michigan's consumer sentiment index hit a four-month high, according to the preliminary November figures. The headline index rose to 93.1, up from 90 in October. The index of consumer expectations reached a five-month high.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	DE	Q3	GDP (flash, qoq, %)	0,3	0,3	0,4
	DE	Q3	GDP (flash, yoy, %)	1,8	1,8	1,6
	RO	Q3	GDP (flash, yoy, %)	3,6	3,0	3,2
	CZ	Q3	GDP (flash, qoq, %)	0,5	0,2	1,0
	SK	Q3	GDP (flash, yoy, %)	3,6	3,3	3,2
	CZ	Q3	GDP (flash, yoy, %)	4,3	4,2	4,4
	PL	Q3	GDP (yoy, %)	3,4	3,3	3,3
	EZ	Q3	GDP (flash, qoq, %)	0,3	0,4	0,4
	EZ	Q3	GDP (flash, yoy, %)	1,6	1,7	1,5
	PL	Oct	CPI (yoy, %)	-0,7	-	-0,8
	US	Oct	Retail sales (mom, %)	0,1	0,3	0,1
	US	Sep	Business inventories (mom, %)	0,3	0,0	0,0
	US	Nov	U Michigan sentiment (preliminary, point)	93,1	91,0	90
Monday	JP	Q3	GDP (flash, qoq, %)	-0,2	-0,1	-0,3
	EZ	Oct	Inflation (mom, %)		0,1	0,2
	US	Nov	New York Fed Manufacturing PMI (point)		-6,0	-11,36

Source: Reuters, OTP Research

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