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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 086	↓ -0,29	↓ -1,32
S&P500	2 127	↓ -0,30	↓ -1,72
Nasdaq100	4 796	↓ -0,26	↓ -1,99
Russell2000	1 210	↓ -0,19	↓ -1,42
Stoxx600	337	↓ -0,74	↓ -1,33
DAX	10 504	↓ -0,73	↓ -1,13
FTSE 100	6 948	↓ -0,94	↓ -2,11
CAC40	4 450	↓ -0,46	↓ -1,05
ATX	2 413	↓ -0,24	↑ 0,22
IBEX35	8 741	↓ -0,31	↑ 0,45
Nikkei 225	16 958	↑ 0,34	↓ -0,77
Hang Seng	23 367	↑ 1,43	↓ -0,77
SSEC	3 073	↑ 1,04	↑ 0,24
SENSEX	27 758	↑ 0,83	↑ 0,83
RTS	977	↓ -0,58	↓ -3,99
Bovespa	62 696	↑ 1,50	↑ 1,67

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0997	↑ 0,25	↓ -0,35
EUR/CHF	1,0876	↑ 0,12	↓ -0,47
GBP/USD	1,2181	↓ -0,03	↑ 0,53
USD/JPY	104,00	↑ 0,11	↑ 0,48
AUD/USD	0,7675	↑ 0,66	↑ 1,86
USD/CAD	1,3080	↓ -0,33	↓ -1,36
USD/RUB	62,87	↓ -0,42	↑ 0,34

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	16,2	↑ 0,1	↑ 2,8
CDS 5Y PIIS	16	↓ -0,3	↓ -7,2
CDS 5Y Italy	118	↑ 0,4	↓ -5,7
CDS 5Y Belg.	123	↑ 0,0	↓ -0,7
iTraxx 5Y EU	19,8	↓ -0,3	↑ 0,6
US TED Spread	73,5	⇒ 0,0	↑ 2,1

Source: Reuters, OTP Research

Summary

- Monday's trading was rather gloomy on global markets.
- Europe's stock indices slipped; so did US indices, ending a zigzag day.
- Government bond yields are on the rise in Europe, but dropped in the USA on the back of the weak New York manufacturing data.

The week started pessimistically in Western Europe's equity markets, with indices falling throughout Europe. The Stoxx600 closed 0.7% down, as all of its sector indices sank. The retail sector, oil and gas producers, media companies and travel service names were hit the hardest; financial service providers and the property sector also underperformed. In Europe, London's FTSE (-0.9%) and the Swiss stock index (-1.1%) fell the sharpest, while Milan's stock index climbed 0.2% higher, largely owing to the growth of Italian banking shares following the announcement of the merger of Banco Popolare and Banca Popolare di Milano. The FTSE was dragged down by oil companies (Royal Dutch Shell fell 1.7%, and BP lost 1.2%); but the loser of the day was Pearson, the publishing company, which nose-dived 8.4% on the back of shrinking revenues in its Q3 earnings report.

Amid the intensifying interest rate hike expectations, stock indices could not gain impetus in the USA: the Dow, the S&P and the NASDAQ100 all went 0.3% down. Within the S&P's sector indices, consumer discretionary was the weakest sector; financial service providers, the energy sector, health care and consumer staples all underperformed. Oil producers were hit by the sinking crude price, as the WTI crude slipped 0.9%, below USD 50, and the Brent dropped 0.8% in Monday's trading. Even the better-than-expected earnings reports of Bank of America and Charles Schwab could not help financial service providers. In after-hours trading, IBM fell 2.7% even though its quarterly earnings figures topped market expectations. The winner in after-hours trading was Netflix, whose stock price rallied 20% as its operating profit beat forecasts and the number of subscribers jumped in Q3 faster than thought. Intel, Johnson & Johnson, and Yahoo! are to publish their earnings figures today.

Japan opened Tuesday's trading with gains, while mainland China and Hong Kong started with losses. The relatively more supportive sentiment in Asia may have stemmed from the easing rate hike expectations, following a release of poor US manufacturing data.

The USD's weakening led the EUR/USD 0.3% higher, above 1.10, and it raised the USD/JPY closer to 104. The GBP/USD did not change meaningfully on Monday.

Source: Reuters, OTP Research

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,82	↓	-2	↓	-5
US 10Y	1,77	↓	-2	↑	0
JP 2Y	-0,27	↑	0	↑	0
JP 10Y	-0,05	↑	0	↑	1
GER 2Y	-0,66	→	0	↑	0
GER 10Y	0,07	↑	3	↑	6

CENTRAL BANKS' RATES

	Rate (%)		6M Consensus		1Y Consensus
Fed Funds	0,5	↑	0,75	↑	1,25
ECB Rate	0,00	→	0,00	→	0,00
BOE Rate	0,25	→	0,25	→	0,25
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	0,00	↑	0	↑	1
US 2Y Swap	1,02	↓	-2	↓	-5
US 5Y Swap	1,25	↑	1	↓	-5
EUR 3M Euribor	-0,31	→	0	↓	-1
EUR 2Y Swap	-0,21	↓	0	↑	1
EUR 5Y Swap	-0,07	↓	-1	↑	1
GB 3M Libor	0,00	↑	0	↑	1
GB 2Y Swap	0,57	↓	-1	↑	1
GB 5Y Swap	0,74	↑	0	↑	5
JP 3M Libor	0,00	↓	0	↑	1
JP 2Y Swap	-0,07	↑	0	↑	1
JP 5Y Swap	-0,07	↑	0	↑	0
CHF 3M Libor	0,00	↓	0	↑	1
CHF 2Y Swap	-0,67	↓	-1	↑	0
CHF 5Y Swap	0,00	↓	0	↑	1

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	51,5	↓	-0,83	↓	-1,18
Gold	1 255	↑	0,41	↑	0,45

Bond yields increased in Europe, owing to the intensifying anticipations of a rate hike, but they went down in America as the New York Fed manufacturing index deteriorated further, as opposed to the expected growth. Monday's speech of Fed vice chair Stanley Fischer Fed lacked direct indication as to the timing of US rate hike, but he thinks the Fed is on the point of fulfilling its duty in the fields of full employment and stable price levels.

As expected, America's September industrial output slightly increased from the previous month.

Statistics on China's loan portfolio are due out today.

Later in the day, inflation data will see the light of day in the United Kingdom and the USA.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Monday	EZ	Sep	Inflation (final, yoy, %)		0,4	0,4
	US	Nov	New York Fed Manufacturing Index (point)		1,0	-2,0
	US	Sep	Industrial production (mom, %)		0,2	-0,4
	US	Nov	Stanley Fischer speaks at the Club of New York		-	-
Tuesday	UK	Sep	CPI (yoy, %)		0,9	0,6
	US	Sep	CPI (sa, mom, %)		0,3	0,2
	US	Sep	Core CPI (sa, mom, %)		0,2	0,3
	US	Oct	NAHB Housing Market Index (points)		63	65

Source: Reuters, OTP Research

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