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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 203	↑ 0,22	↑ 0,32
S&P500	2 144	↑ 0,22	↑ 0,24
Nasdaq100	4 837	↓ -0,06	↑ 0,35
Russell2000	1 223	↑ 0,44	↑ 0,57
Stoxx600	344	↑ 0,34	↑ 1,50
DAX	10 646	↑ 0,13	↑ 1,17
FTSE 100	7 022	↑ 0,31	↓ -0,03
CAC40	4 520	↑ 0,25	↑ 1,53
ATX	2 447	↓ -0,02	↑ 1,54
IBEX35	8 950	↑ 0,96	↑ 3,03
Nikkei 225	17 200	↑ 1,18	↑ 4,95
Hang Seng	23 436	↑ 0,56	↑ 1,76
SSEC	3 083	↓ -0,05	↑ 0,71
SENSEX	28 185	↑ 0,72	↑ 0,72
RTS	995	↑ 0,84	↓ -0,07
Bovespa	63 506	↓ -0,43	↑ 4,07

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0972	↓ -0,05	↓ -0,86
EUR/CHF	1,0851	↓ -0,17	↓ -0,44
GBP/USD	1,2281	↓ -0,12	↑ 0,24
USD/JPY	103,69	↑ 0,24	↑ 0,01
AUD/USD	0,7671	↓ -0,65	↑ 1,36
USD/CAD	1,3153	↑ 0,31	↓ -0,27
USD/RUB	62,23	↑ 0,08	↓ -1,17

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	14,4	↓ -0,9	↓ -1,5
CDS 5Y PIIS	14	↓ -0,2	↓ -3,3
CDS 5Y Italy	117	⇒ 0,0	↓ -3,0
CDS 5Y Belg.	121	⇒ 0,0	↑ 0,0
iTraxx 5Y EU	19,7	↓ -1,6	↓ -3,6
US TED Spread	70,9	⇒ 0,0	↑ 2,6

Source: Reuters, OTP Research

Summary

- Today's rate-setting meeting of the ECB will be in the focus of investors' attention.
- Stock markets in Western Europe closed with modest gains yesterday.
- The Fed's Beige Book did not bring shake US markets, where financial names were the top performers.
- The price of oil rose further, thanks to favourable news from OPEC and the EIA.

Western Europe's indices made small gains on Wednesday, driven by corporate earnings report. Automotive stocks benefited from the euro's ailing and energy producers were supported by a pick-up in oil prices.

America's leading indices achieved gains, except for the NASDAQ100's mild loss. The financial sector's shares ended the day at least 1% higher, gaining impetus from the better-than-expected figures in the earnings report of Morgan Stanley. Within the Dow, American Express' 2% up move was the strongest gain, and Intel's 6% plunge was the sharpest fall, owing to the deteriorating outlook the company hinted at.

The rising oil prices and the optimistic investor sentiment in America and Europe helped Japan's Nikkei gain 1.4% this morning. In Hong Kong, the Hang Seng upped by 0.5%, while China's Shanghai Composite was nearly flat before the end of trading.

There were not big swings on currency markets. The yen made the strongest gain, appreciating 0.5% against the USD and the EUR. This morning the USD stood 0.2% higher versus the JPY.

Crude futures rose further on the back of a number of positive reports. OPEC secretary-general Mohammed Barkindo has confirmed that the ordinary meeting of OPEC on 30 November may reach actual agreement on freezing output levels. The idea of Russia's participation also came up, as the country does not rule out joining the arrangement. The EIA's new oil market report, giving account of shrinking US oil inventories, also helped. The Brent went up to USD 52.6 and the WTI hit USD 51.5.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,81	→ 0	↓ -6
US 10Y	1,75	↑ 0	↓ -2
JP 2Y	-0,27	↑ 0	↓ -1
JP 10Y	-0,06	↓ 0	↑ 0
GER 2Y	-0,66	↓ -1	↓ 0
GER 10Y	0,04	↓ -2	↓ -1

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	↓ -88	↓ -88
US 2Y Swap	1,01	↓ -1	↓ -2
US 5Y Swap	1,24	↑ 3	↓ -2
EUR 3M Euribor	-0,31	↓ 0	↓ 0
EUR 2Y Swap	-0,21	↓ 0	↓ 0
EUR 5Y Swap	-0,08	→ 0	→ 0
GB 3M Libor	0,00	↓ -40	↓ -40
GB 2Y Swap	0,57	↑ 0	↑ 2
GB 5Y Swap	0,71	↑ 0	↑ 0
JP 3M Libor	0,00	↑ 1	↑ 1
JP 2Y Swap	-0,06	↑ 1	↑ 2
JP 5Y Swap	-0,07	↓ 0	↑ 1
CHF 3M Libor	0,00	↑ 73	↑ 73
CHF 2Y Swap	-0,67	↑ 1	→ 0
CHF 5Y Swap	-0,55	↑ 0	↑ 0

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	52,7	↑ 1,92	↑ 0,90
Gold	1 269	↑ 0,53	↑ 1,01

Source: Reuters, OTP Research

Wednesday's most important event is the European Central Bank Governing Council's rate meeting, which is expected to leave monetary policy in place, and the post-meeting press briefing may offer guidance as to the outcome of the ECB's December meeting and the future of negative interest rates. The ECB's December meeting comes just a few days ahead of the Fed's rate decision, which is expected to raise the benchmark rate, as it did a year earlier. The Fed's Beige Book, published yesterday, showed that wage pressure remained modest in the greater part of the USA, thus wages' rise will not generate significant increase in inflation, thus providing a further argument for the Fed to postpone the interest rate increase.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Wednesday	CN	Sep	Industrial production (yoy, %)	6,1	6,4	6,3
	CN	Sep	Retail sales (yoy, %)	10,7	10,6	10,6
	CN	Q3	GDP (preliminary, yoy, %)	6,7	6,7	6,7
	CN	Q3	GDP (preliminary, qoq, %)	1,8	1,8	1,8
	CN	Sep	Urban investments (yoy, %)	8,2	8,2	8,1
	PL	Sep	Retail sales (yoy, %)	4,8	6,05	5,6
	PL	Sep	Industrial production (yoy, %)	3,2	3,45	7,5
	US	Sep	Housing permits (annualized monthly, thousand)	1 225	1 165	1 152
	US	Sep	Housing starts (annualized monthly, thousand)	1 047	1 175	1 142
	US	Oct	Beige Book	-	-	-
Thursday	UK	Sep	Retail sales (mom, %)		0,4	-0,2
	EZ	Nov	Deposit rate (%)		-0,4	-0,4
	EZ	Nov	Refinancing rate (%)		0,0	0,0
	US	Sep	Leading index (mom, %)		0,2	-0,2
	US	Sep	Existing home sales (annualized, monthly, thousand)		5 350	5 330

Source: Reuters, OTP Research

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