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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 260	↑ 2,08	↑ 0,65
S&P500	2 132	↑ 2,22	↑ 0,25
Nasdaq100	4 774	↑ 2,43	↓ -0,57
Russell2000	1 192	↑ 2,48	↑ 1,21
Stoxx600	334	↑ 1,53	↓ -1,51
DAX	10 457	↑ 1,93	↓ -1,95
FTSE 100	6 807	↑ 1,70	↓ -2,12
CAC40	4 461	↑ 1,91	↓ -1,07
ATX	2 432	↑ 0,79	↓ -1,69
IBEX35	8 919	↑ 1,45	↓ -2,46
Nikkei 225	17 135	↓ -0,03	↓ -3,00
Hang Seng	22 874	↑ 0,32	↓ -1,18
SSEC	3 148	↑ 0,46	↑ 0,82
SENSEX	27 424	↓ -0,13	↓ -0,13
RTS	964	↓ -0,74	↓ -2,51
Bovespa	63 326	↑ 3,98	↓ -1,34

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1038	↓ -0,88	↓ -0,05
EUR/CHF	1,0753	↓ -0,30	↓ -0,12
GBP/USD	1,2396	↓ -0,97	↑ 1,27
USD/JPY	104,43	↓ -0,02	↑ 0,30
AUD/USD	0,7708	↓ -0,22	↑ 0,77
USD/CAD	1,3364	↑ 0,04	↓ -0,18
USD/RUB	63,66	↑ 0,09	↑ 0,55

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	18,7	↓ -3,8	↑ 1,7
CDS 5Y PIIS	19	↓ -1,7	↑ 0,8
CDS 5Y Italy	118	↓ -3,3	↑ 4,6
CDS 5Y Belg.	130	↓ 0,0	⇒ 0,0
iTraxx 5Y EU	20,0	↓ -2,4	↑ 0,7
US TED Spread	73,7	⇒ 0,0	↓ -10,1

Source: Reuters, OTP Research

Summary

- US political news caused benign trading on Monday.
- Stock markets gained on both sides of the Atlantic; the USD firmed, and safe haven currencies retreated.
- Volkswagen's emission story is not abating; reportedly Audi models may be affected too.
- US presidential elections are in the focus of attention today.

Trading in Europe and America was optimistic, owing a lot to US presidential elections reports. The FBI announced to end the investigation into Hillary Clinton's e-mail case two days before the elections, and exonerated her. Bloomberg's last nationwide survey before the election showed Clinton's advance growing to three points.

In Europe, the Stoxx 600 upped 1.4% on Monday. The mining sector made the biggest advance, owing to the strong performance of Antofagasta and Glencore. Banking shares' march was headed by HSBC, who reported stronger than expected Q3 profit and improving capital adequacy ratio. News on Ryanair's plan to buy back shares worth EUR 550 million triggered a 5.2% jump in its stock price. Ferrari rallied 6.7%, after raising this year's profit expectations. In contrast, the diesel emissions scandal continues to weigh on Volkswagen. German authorities will extend the investigation to VW's Chairman Hans Dieter Pötsch. Besides, some Audi models also used a software that misled emission tests, according to the Bild magazine's sources.

America's stock markets fared well; the leading indices jumped more than 2% higher. Asia's indices also achieved gains but US index futures slipped into the red this morning.

Political news helped the US dollar and the Mexican peso strengthen on Monday. In the benign sentiment, demand for safe haven currencies subsided. Accordingly, the Swiss franc weakened and gold price fell; US and German bond yields dropped.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,82	↓	-2	↓	-3
US 10Y	1,83	↓	0	↓	-1
JP 2Y	-0,25	↑	1	↓	-1
JP 10Y	-0,05	↑	1	↓	0
GER 2Y	-0,64	↓	-1	↓	-2
GER 10Y	0,14	↓	-2	↓	-3

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	0,89	↑	0	↑	0
US 2Y Swap	1,04	↓	0	↓	-1
US 5Y Swap	1,29	↑	0	↓	-1
EUR 3M Euribor	-0,31	→	0	↑	0
EUR 2Y Swap	-0,16	↓	0	↑	0
EUR 5Y Swap	0,03	↑	2	↑	1
GB 3M Libor	0,40	↓	0	↓	0
GB 2Y Swap	0,61	↑	2	↓	-1
GB 5Y Swap	0,80	↑	5	↓	-2
JP 3M Libor	-0,05	↓	0	↓	-3
JP 2Y Swap	-0,05	↓	0	↓	-1
JP 5Y Swap	-0,05	↓	-1	↓	-1
CHF 3M Libor	-0,73	↓	0	↓	0
CHF 2Y Swap	-0,66	↑	1	↓	-3
CHF 5Y Swap	-0,46	↑	2	↑	2

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	46,2	↑	1,25	↓	-4,11
Gold	1 281	↓	-1,72	↓	-0,28

Source: Reuters, OTP Research

Crude prices picked up on Monday morning, only to fall to nearly USD 45 in the afternoon. Prices fell despite the OPEC secretary-general's statement that Russia acceded to bringing down production quotas. On Tuesday morning, oil prices were seen recovering, drawing near USD 46, as OPEC raised its forecast for global oil demand.

The eurozone released a mixed bag of macroeconomic statistics on Monday. The Sentix investor sentiment index and the euro area's retail data have beaten expectations, but counterintuitively, German factory orders have shrunk. China's foreign trade statistics, released this morning, indicated stronger-than-expected contraction.

Today Germany will release industrial and foreign trade figures, but the US presidential elections will definitely steal the show. FiveThirtyEight.com's forecast, which is based on opinion polls and in-house models, sees the chances of Hillary Clinton and Donald Trump 2/3 to 1/3. But the low popularity of the two candidates and the high percentage of undecided voters make forecasting extremely difficult. Simultaneously there will be Senate elections as well. The big question is whether Democrats manage to regain the majority from Republicans – forecasts show that both parties' chances to win majority are absolutely balanced. The first reports on election results will be out on Wednesday morning, during trading in Asia.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Monday	DE	Sep	Industrial orders (mom, %)	-0,6	0,3	1,0
	EZ	Nov	Sentix Investor confidence (point)	13,10	9,00	8,50
	EZ	Sep	Retail sales (mom, %)	-0,20	-0,30	-0,10
Tuesday	CN	Oct	Import (yoy, %)	-1,4	-1,0	-1,9
	CN	Oct	Export (yoy, %)	-7,3	-6,0	-10,0
	DE	Sep	Export (mom, %)		-0,8	5,4
	DE	Sep	Industrial production (mom, %)		-0,5	2,5
	UK	Sep	Industrial production (mom, %)		0,1	-0,4
	US		U.S. presidential elections			

Source: Reuters, OTP Research

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