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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	19 024	↑ 0,35	↑ 0,53
S&P500	2 203	↑ 0,22	↑ 1,03
Nasdaq100	4 874	↑ 0,31	↑ 2,30
Russell2000	1 334	↑ 0,92	↑ 2,47
Stoxx600	341	↑ 0,23	↑ 0,55
DAX	10 714	↑ 0,27	↓ -0,20
FTSE 100	6 820	↑ 0,62	↑ 0,40
CAC40	4 548	↑ 0,41	↑ 0,26
ATX	2 517	↑ 1,16	↑ 0,15
IBEX35	8 652	↑ 0,43	↓ -0,41
Nikkei 225	17 135	⇒ 0,00	↑ 3,48
Hang Seng	22 677	↓ -0,01	↑ 1,78
SSEC	3 239	↓ -0,29	↑ 1,06
SENSEX	25 976	↑ 0,06	↑ 0,06
RTS	1 017	↑ 0,19	↑ 3,71
Bovespa	63 326	↑ 1,45	↑ 3,85

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0624	↓ -0,03	↓ -0,40
EUR/CHF	1,0743	↑ 0,21	↑ 0,30
GBP/USD	1,2422	↓ -0,54	↓ -0,15
USD/JPY	110,87	↓ -0,22	↑ 1,66
AUD/USD	0,7438	↑ 0,50	↓ -0,51
USD/CAD	1,3428	↓ -0,10	↓ -0,10
USD/RUB	64,01	↑ 0,52	↓ -1,14

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,4	↓ 0,0	↓ -1,0
CDS 5Y PIIS	12	↓ -0,2	↑ 1,3
CDS 5Y Italy	127	↑ 1,7	↑ 7,1
CDS 5Y Belg.	147	↑ 0,0	↑ 0,8
iTraxx 5Y EU	23,3	↓ -1,4	↑ 2,7
US TED Spread	79,9	⇒ 0,0	↑ 1,6

Source: Reuters, OTP Research

Summary

- US stock indices hit a new high, Europe also achieved gains.
- Industrial metal prices grew steadily, Goldman expects further growth.
- Oil price lost impetus; OPEC is unlikely to reach agreement before the 30 November meeting.

Europe's stock markets opened on a bright note but ran out of steam by the end of the day. The Stoxx600 closed 0.2% higher, eroding an intraday 0.7% gain. Mining companies headed the growth – an increase in commodity prices, particularly that of industrial metals, helped AngloAmerican surge 8% and BHP Billiton soar 5%. In contrast, pharmaceutical share prices contracted, European producers were dragged down by the US health care sector, which was under selling pressure. Individual corporate reports also did their part; statistics on a substantial fall in Switzerland's watch exports slashed Swiss watch share prices. Swatch lost 3.6% of its value and Cie Financiere Richmont, the owner of a number of luxury watch and jewellery manufacturers such as IWC Schaffhausen, fell 3%.

After breaking records on Monday, America's key stock indices hit new highs on Tuesday. Rising 0.4% took the Dow above 19,000 points, and the S&P inched up 0.2%. The tech-heavy NASDAQ100 upped 0.3%. The small-cap segment was the strongest performer: the Russell2000 grew by 0.9% on Tuesday. The real estate sector headed the S&P500 universe, followed by consumer discretionary. Raw material producers and industrial companies also fared well but the financial and energy sectors underperformed. The biggest loser was the healthcare sector, with medical equipment producers hit particularly hard as the US president-elect's plans to transform healthcare apparently do not benefit them. Existing home sales hit a ten-year high, helping real estate stock prices.

Asia opened optimistically after US markets broke records, and the sanguine sentiment persisted until the end of trading. The Topix100 advanced 0.2%.

The USD continued its winning streak. It made a slight gain against the EUR, it advanced 0.6% versus the GBP, and 0.2% against the JPY on Tuesday.

On commodity markets, the rise in industrial metal prices continued on Tuesday: iron ore and steel rose in China and copper reached its year-to-day high. Goldman Sachs issued 'Overweight' recommendation for this asset category for the first time in four years; the bank expects industrial metal prices grow further. Gold price edged somewhat higher. The Brent and WTI crude prices upped 0.5% and 0.1% respectively. The talks between Iran and Iraq have not succeeded; the 30 November OPEC meeting of oil ministers may make breakthrough in imposing output caps.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	1,09	↑	2	↑	9
US 10Y	2,30	↓	-5	↑	5
JP 2Y	0,00	↑	17	↑	18
JP 10Y	0,00	↓	-3	↓	0
GER 2Y	-0,68	↓	0	↓	-6
GER 10Y	0,28	↓	0	↓	-5

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	↓	-92	↓	-91
US 2Y Swap	1,25	↓	0	↑	4
US 5Y Swap	1,71	↓	-1	↑	4
EUR 3M Euribor	-0,31	↓	0	↓	0
EUR 2Y Swap	-0,16	→	0	↓	-1
EUR 5Y Swap	0,08	↓	-2	↓	-4
GB 3M Libor	0,00	↓	-40	↓	-40
GB 2Y Swap	0,65	↓	-1	↓	-3
GB 5Y Swap	0,94	↓	-4	↓	0
JP 3M Libor	0,00	↑	7	↑	6
JP 2Y Swap	0,00	↓	-1	↓	-3
JP 5Y Swap	0,07	↑	2	↓	-1
CHF 3M Libor	0,00	↑	74	↑	74
CHF 2Y Swap	-0,67	↓	0	↓	-2
CHF 5Y Swap	-0,38	↓	-2	↓	-6

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	49,1	↑	0,45	↑	5,06
Gold	1 212	↓	-0,15	↓	-0,87

Source: Reuters, OTP Research

On Tuesday the US 10Y treasury note yield came down five basis points but the 2Y yield, the most susceptible to Fed decisions, rose further, to 1.09%.

In October US existing home sales hit their highest since February 2007, partly owing to anticipations of higher interest rates. According to Bloomberg's data, futures now fully price a Fed interest rate hike in December.

The Eurozone consumer sentiment index has beaten expectations.

A batch of purchasing managers' indices is due out today from the eurozone, Germany and the United States. Besides, the USA will release new home sales and durable goods order statistics. The final reading of the University of Michigan's consumer sentiment index for November is due out today.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Tuesday	US	Oct	Existing home sales (annualized monthly, thousand)	5600	5420	5470
	EZ	Nov	Consumer confidence (preliminary, point)	-6,1	-7,8	-8,0
Wednesday	EZ	Nov	Markit manufacturing PMI (points)		53,3	53,5
	EZ	Nov	Markit services PMI (points)		53,0	52,8
	DE	Nov	Markit manufacturing PMI (points)		54,8	55,0
	DE	Nov	Markit services PMI (points)		54,0	54,2
	US	Oct	Durable goods orders (mom, %)		1,5	-0,3
	US	Nov	Markit manufacturing PMI, flash (points)		53,4	53,4
	US	Nov	University of Michigan consumer confidence, final (points)		91,6	91,6
US	Oct	New home sales ('000)		593	593	

Source: Reuters, OTP Research

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