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## Daily Report – Global Markets

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	19 083	↑ 0,31	↑ 1,14
S&P500	2 205	↑ 0,08	↑ 1,28
Nasdaq100	4 854	↓ -0,41	↑ 1,29
Russell2000	1 342	↑ 0,58	↑ 2,49
Stoxx600	341	↓ -0,07	↑ 0,68
DAX	10 662	↓ -0,48	↓ -0,01
FTSE 100	6 818	↓ -0,03	↑ 1,01
CAC40	4 529	↓ -0,42	↑ 0,62
ATX	2 514	↓ -0,10	↑ 0,67
IBEX35	8 628	↓ -0,28	↓ -0,13
Nikkei 225	17 135	↑ 0,94	↑ 5,40
Hang Seng	22 617	↓ -0,26	↑ 1,59
SSEC	3 234	↓ -0,21	↑ 0,80
SENSEX	25 952	↓ -0,38	↓ -0,38
RTS	1 017	↑ 0,01	↑ 2,76
Bovespa	63 326	↑ 0,05	↑ 2,02

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0556	↓ -0,64	↓ -0,82
EUR/CHF	1,0726	↓ -0,16	↑ 0,29
GBP/USD	1,2438	↑ 0,13	↑ 0,19
USD/JPY	112,79	↑ 0,26	↑ 2,46
AUD/USD	0,7375	↓ -0,12	↓ -0,39
USD/CAD	1,3510	↑ 0,18	↓ -0,07
USD/RUB	64,62	↑ 0,40	↓ -0,41

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,4	↑ 0,0	↓ -1,3
CDS 5Y PIIS	12	↑ 2,8	↑ 7,5
CDS 5Y Italy	130	↑ 6,8	↑ 16,9
CDS 5Y Belg.	154	↑ 0,6	↑ 2,1
iTraxx 5Y EU	24,0	↑ 1,9	↑ 2,7
US TED Spread	81,8	⇒ 0,0	↓ -1,4

Source: Reuters, OTP Research

**Summary**

- Sellers outnumbered buyers in Europe on Wednesday.
- The Chancellor of the Exchequer revised down Britain's economic growth forecast due to Brexit.
- The Dow and the S&P500 closed at new record highs.
- Crude prices dropped despite the reassuring statement of Iraq's Prime Minister.
- Copper futures hit 16-month high after the publication of US manufacturing PMI.

Sellers were omnipresent in Europe yesterday; financial and car producer names were hit in Germany and France. Commodity-related companies marched higher, to the highest levels since June 2015. Britain's FTSE100 slipped into the red after Chancellor of the Exchequer Philip Hammond said that the budget targets for the following years had to be reviewed after the Brexit referendum, and the fiscal surpluses planned for 2019 and 2020 would not be attainable. After revising the macroeconomic path, growth expectations for 2017 were slashed considerably, by 0.8 percentage points (to 1.4%).

The sentiment was more supportive in America, where the Dow hit a new high while the S&P500 closed with a new record. The minutes of the latest Fed Open Market Committee left investors indifferent; expectations of a December interest rate hike have further intensified. The CME Group's forecast, calculated from Fed Fund futures prices, finds that the probability of an interest rate hike this year is 93.5%. Accordingly, the dollar firmed versus all major currencies, pushing the USD/JPY 1.3% higher and bringing the EUR/USD 0.7% down by the end of the day.

The optimism of American markets echoed in Japan, where the Nikkei225 upped 1%. China's indices closed nearly flat.

Brent futures failed to break through the 50 USD/barrel mark even though Iraqi Prime Minister Haider Al-Abadi said that his country (an opponent of output freeze together with Iran) was willing to take part in the limitation. According to EIA's estimates, crude oil prices may slip further in 2017 unless an agreement is made at OPEC's 28 November regular meeting in Vienna.

Gold and silver prices stood 2% in the red in Wednesday's close. Industrial metal prices ground higher, with copper hitting a 16-month high after the US manufacturing purchasing managers' index painted a rosy picture about demand. The data for the index were collected after the US presidential election.

**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	-0,15	↑	2	↑	3
JP 10Y	0,04	↑	1	↑	4
GER 2Y	-0,73	↓	-5	↓	-10
GER 10Y	0,22	↓	-5	↓	-9

**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	0,00	↑	0,10	↑	0,10
SNB Target	-0,75	→	-0,75	→	-0,75

**MONEY MARKET**

	Rate (%)		Daily chg (bp)		Weekly chg (bp)
US 3M Libor	0,92	↑	1	↑	2
US 2Y Swap	1,28	↓	-1	↑	4
US 5Y Swap	1,77	↓	-2	↑	6
EUR 3M Euribor	-0,31	→	0	↓	0
EUR 2Y Swap	-0,16	↓	0	↓	-1
EUR 5Y Swap	0,08	↓	-1	↓	-4
GB 3M Libor	0,40	→	0	↑	0
GB 2Y Swap	0,65	↑	0	↑	2
GB 5Y Swap	0,98	↑	4	↑	3
JP 3M Libor	-0,06	↑	0	↓	0
JP 2Y Swap	0,02	↓	0	↑	2
JP 5Y Swap	0,06	↓	-1	↑	3
CHF 3M Libor	-0,75	↓	0	↓	-1
CHF 2Y Swap	-0,71	↓	-4	↓	-8
CHF 5Y Swap	-0,38	↓	-2	↓	-7

**COMMODITIES**

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	49,0	↓	-0,35	↑	5,31
Gold	1 188	↓	-2,00	↓	-2,44

Source: Reuters, OTP Research

The reassuring manufacturing purchasing managers' indices of the eurozone countries bode well for the Q4 growth prospects as these indices have a history of reliably foretelling growth numbers.

The detailed GDP data from Germany, released this morning, matched the previous figure, and the upward revision expected by economists did not take place. Today Germany is also set to publish the IFO economic sentiment index which is predicted to stay flat from the previous month.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Wednesday	EZ	Nov	Markit manufacturing PMI (points)	53,7	53,3	53,5
	EZ	Nov	Markit services PMI (points)	54,1	53,0	52,8
	DE	Nov	Markit manufacturing PMI (points)	54,4	54,8	55,0
	DE	Nov	Markit services PMI (points)	55,0	54,0	54,2
	FR	Nov	Markit manufacturing PMI (points)	51,5	51,4	51,8
	FR	Nov	Markit services PMI (points)	52,6	51,9	51,4
	US	Oct	Markit services PMI (points)	4,8	1,5	-0,3
	US	Nov	Markit manufacturing flash PMI (points)	53,9	53,4	53,4
	US	Nov	University of Michigan consumer confidence, final (points)	93,8	91,6	91,6
	US	Oct	New home sales (000)	563	593	593
Thursday	US	Nov	FOMC meeting minutes			
	JP	Nov	Nikkei manufacturing PMI (point)	51,1	-	51,4
	DE	Q3	GDP (detailed, yoy, %)	1,5	1,7	1,5
	ES	Q3	GDP (detailed, yoy, %)		3,2	3,2
	DE	Nov	IFO economic sentiment index (point)		111	111

Source: Reuters, OTP Research

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