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## Daily Report – Global Markets

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	19 152	↑ 0,36	↑ 1,51
S&P500	2 213	↑ 0,39	↑ 1,44
Nasdaq100	4 870	↑ 0,33	↑ 1,29
Russell2000	1 347	↑ 0,38	↑ 1,89
Stoxx600	342	↑ 0,18	↑ 0,90
DAX	10 699	↑ 0,09	↑ 0,33
FTSE 100	6 841	↑ 0,17	↑ 0,96
CAC40	4 550	↑ 0,17	↑ 1,02
ATX	2 514	↓ -0,42	↑ 1,32
IBEX35	8 674	↑ 0,20	↑ 0,60
Nikkei 225	17 135	↓ -0,13	↑ 2,91
Hang Seng	22 955	↑ 1,02	↑ 2,67
SSEC	3 279	↑ 0,53	↑ 1,90
SENSEX	26 389	↑ 0,28	↑ 0,28
RTS	1 019	↓ -1,01	↑ 2,80
Bovespa	63 326	↑ 0,27	↑ 2,66

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0584	↑ 0,30	↑ 0,19
EUR/CHF	1,0742	↑ 0,12	↑ 0,30
GBP/USD	1,2474	↑ 0,21	↓ -0,13
USD/JPY	112,01	↓ -0,93	↑ 1,10
AUD/USD	0,7481	↑ 0,69	↑ 1,59
USD/CAD	1,3462	↓ -0,49	↑ 0,34
USD/RUB	64,75	↓ -0,18	↑ 1,21

**RISK INDICATORS**

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

Source: Reuters, OTP Research

**Summary**

- The market sentiment was positive on Friday, the US stock indices reached their all time high
- The USD depreciated; according to the Credit Agricole's analyst the USD could strengthen toward parity against the EUR
- Oil price declined around 4% as it seems less likely an agreement can be reached on the reduction of oil output between OPEC members
- According to the Unicredit's analyst, capital outflow from emerging markets could continue as US bond yield increases

Sentiment was positive on the international markets on Friday. The DAX increased by 0.1% and the S&P500 by 0.4%. Moreover all the main US stock indices (Nasdaq, Dow Jones, S&P500) reached their respective all-time high. The increase is due to the positive expectations about Trump's planned fiscal expansion. The USD depreciated 0.4% against the EUR, 0.3% against the JPY and 0.2% against the GBP. The analyst of Credit Agricole believe that the USD could appreciate toward parity against the EUR. The reason for this, if Trump's fiscal expansion is implemented, then inflation could increase more rapidly than expected, which will warrant a steeper interest rate price which is currently priced in. Moreover the increasing political risks in the Eurozone also point toward a stronger USD (weaker EUR).

According to the Unicredit's analysts, capital outflow could continue from the emerging economies as the US bond yields increases further in the medium term.

Oil prices declined by 4 % as concerns grow that the OPEC nations cannot agree on the restriction on their output this week. The expert's meeting on Monday was canceled and Russia and Saudi Arabia said they won't attend the meeting. According the analyst, Iraq and Iran could be the main obstacle for the agreement as they do not want to decrease their production.

The stockholders of the Italian Monte di Paschi voted for the recapitalization (worth EUR 5 bn) and for the restructuring its non-performing loans (worth EUR 28 bn). Although it is a very positive development, but if this week on the Italian referendum the no votes win, it could jeopardize the success of the recapitalization.

Asian trading session was mixed, as Nikkei declined by 0.1%, but Hang Seng increased by 1%.

**GOV'T BOND MARKET**

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	1,14	↑	5	↑	9
US 10Y	2,38	↑	7	↑	6
JP 2Y	-0,14	↑	2	↑	3
JP 10Y	0,04	↑	0	→	0
GER 2Y	-0,74	↓	-3	↓	-10
GER 10Y	0,26	↑	1	↓	-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	0,94	↑	0	↑	2
US 2Y Swap	1,28	↓	0	↑	3
US 5Y Swap	1,76	↓	-3	↑	4
EUR 3M Euribor	-0,31	→	0	↓	0
EUR 2Y Swap	-0,17	↑	0	↓	-1
EUR 5Y Swap	0,08	↑	2	↓	-2
GB 3M Libor	0,39	↓	-1	↓	-1
GB 2Y Swap	0,65	↓	-1	→	0
GB 5Y Swap	0,96	↓	-2	↓	-4
JP 3M Libor	-0,07	↓	-1	↓	-2
JP 2Y Swap	0,01	↓	-1	→	0
JP 5Y Swap	0,05	↓	-1	↓	0
CHF 3M Libor	-0,75	→	0	↓	-1
CHF 2Y Swap	-0,68	↑	4	↓	-3
CHF 5Y Swap	-0,42	↑	3	↓	-4

**COMMODITIES**

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	47,2	↓	-3,59	↓	-3,39
Gold	1 183	↓	-0,03	↓	-1,80

Source: Reuters, OTP Research

Incoming data in Friday was inline with expectations. Today we have retail sales data from Japan and Germany and Investor confidence from Italy and the Eurozone. Moreover Draghi will speak before the EP Committee. The main question about the ECB's monetary policy is whether it will extend the on-going QE and with what kind of modification.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Friday	JP	Oct	CPI (yoy, %)	0,1	-	-0,5
	JP	Oct	Core CPI (yoy, %)	-0,4	-0,4	-0,5
	UK	Q3	GDP (detailed, yoy, %)	2,3	2,3	2,3
	US	Nov	Markit service PMI (point)	54,7	54,8	54,8
Monday	JP	Oct	Retail sales (yoy, %)		-1,2	-1,9
	DE	Oct	Retail sales (mom, %)		0,9	-1,4
	IT	Oct	Investor confidence (point)			103,0
	EZ	Nov	Economic Sentiment (point)		106,9	106,3
	EZ	Nov	Draghi's speech before the EP Comittee			

Source: Reuters, OTP Research

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