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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	19 170	↓ -0,11	↑ 0,10
S&P500	2 192	↑ 0,04	↓ -0,97
Nasdaq100	4 734	↓ -1,59	↓ -2,47
Russell2000	1 314	↓ -0,65	↓ -2,48
Stoxx600	339	↓ -0,44	↓ -0,90
DAX	10 513	↓ -0,20	↓ -1,74
FTSE 100	6 731	↓ -0,33	↓ -1,61
CAC40	4 529	↓ -0,70	↓ -0,47
ATX	2 502	↓ -0,86	↓ -0,47
IBEX35	8 607	↓ -0,72	↓ -0,78
Nikkei 225	17 135	↓ -0,82	↓ -0,95
Hang Seng	22 506	↓ -0,26	↓ -1,42
SSEC	3 205	↓ -1,21	↓ -2,21
SENSEX	26 318	↑ 0,33	↑ 0,33
RTS	1 050	↑ 0,27	↑ 3,11
Bovespa	63 326	↑ 1,36	↓ -2,02

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0670	↑ 0,09	↑ 0,24
EUR/CHF	1,0779	↑ 0,06	↑ 0,23
GBP/USD	1,2719	↑ 1,02	↑ 2,47
USD/JPY	114,02	↑ 0,42	↑ 1,88
AUD/USD	0,7434	↓ -0,35	↓ -0,60
USD/CAD	1,3317	↑ 0,19	↓ -0,67
USD/RUB	63,78	↓ -0,22	↓ -1,44

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,2	↓ -0,9	↑ 0,0
CDS 5Y PIIS	13	↓ -1,4	↓ -4,2
CDS 5Y Italy	126	↓ -2,6	↓ -8,4
CDS 5Y Belg.	147	↑ 0,1	↑ 0,8
iTraxx 5Y EU	24,7	↓ -1,3	↓ -3,1
US TED Spread	78,0	→ 0,0	↑ 3,2

Source: Reuters, OTP Research

Summary

- Global stock markets ended Friday's trading with mixed results; the BUX closed down.
- The HUF, the JPY and the GBP all gained against the USD and the EUR.
- No votes won in Italy; PM Renzi's resign may be followed by an interim government.
- Asia's stock markets opened on a sour note today.

Trading on the world's stock markets was rather mixed on Friday. The DAX shed 0.2%, the CAC40 slipped 0.7%, and Italy's FTSE MIB edged 0.1% down. In America the S&P closed almost flat, while the NASDAQ100 inched up 0.1%. Friday's quiet trading owed a lot to the wait-and-see approach that usual precedes potentially market-moving events, this time the weekend's referendum in Italy. Besides, Friday's release of US labour market data was in line with expectations; the only surprise came from the fall in the unemployment rate from 4.9% to 4.6%, mostly caused by the drop in the activity rate. The slightly negative sentiment on European markets spilled over to the BUX, and dragged it 0.6% down. All Hungarian blue chips closed in the red, with MOL and Telekom sinking almost 1%, OTP and Richter shrinking 0.5%.

In line with the preliminary opinion polls, the No votes won by 60% to 40% in Italy's referendum. Renzi delivered on his promised and announced to step down from the position of Prime Minister. There are two succession options: (1) Italy's president accepts his resignation and the current governing parties try to form government, or (2) early elections will be held. The latter scenario would benefit the Five Star Movement, which campaigns for quitting the EU.

Last week JP Morgan estimated that the triumph of the No votes in Sunday's referendum could trigger a 2-4% fall in the Italian stock exchange. One of the reasons why this can create an excellent opportunity to buy is that the ECB will try to alleviate the expected adverse effects on the money market, its analysts opine. CA-CIB's economists also see the opportunities to buy equities in the ensuing fall.

Asia's stock markets opened in negative sentiment this morning. The Nikkei closed 0.8% down and China's Hang Seng fell 1.2%.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	1,14	↑ 1	→ 0
US 10Y	2,44	↑ 4	↑ 5
JP 2Y	-0,18	↓ -1	↓ -3
JP 10Y	0,03	↓ -2	↓ 0
GER 2Y	-0,73	↑ 1	↑ 1
GER 10Y	0,37	↑ 9	↑ 11

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	0,95	↑ 0	↑ 1
US 2Y Swap	1,28	↓ -4	↓ -1
US 5Y Swap	1,78	↓ -6	↓ -1
EUR 3M Euribor	-0,31	→ 0	↑ 0
EUR 2Y Swap	-0,18	↓ -3	↓ -1
EUR 5Y Swap	0,14	↑ 7	↑ 6
GB 3M Libor	0,38	↓ 0	↓ -1
GB 2Y Swap	0,66	↑ 1	↓ -1
GB 5Y Swap	0,98	↑ 3	↑ 1
JP 3M Libor	-0,06	↑ 0	↑ 2
JP 2Y Swap	0,01	↓ -1	↓ -1
JP 5Y Swap	0,06	↓ -2	↓ -1
CHF 3M Libor	-0,75	↑ 0	↓ 0
CHF 2Y Swap	-0,64	↑ 2	↑ 7
CHF 5Y Swap	-0,36	↑ 4	↑ 9

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	54,5	↑ 0,96	↑ 13,58
Gold	1 177	↑ 0,51	↓ -2,40

Source: Reuters, OTP Research

Oil prices rose further after the successful agreement on the OPEC meeting last week.

On currency markets the EUR/USD did not change materially but the GBP gained 1% and the JPY firmed 0.4% versus both the EUR and the USD. In the small hours of Monday, when the results of the Italian referendum were out, the EUR/USD sank near 1%, but later it was seen nudging back to previous levels.

Today the Sentix investor confidence index and the eurozone's retail sales data will be released. The Eurogroup will also meet, but Italy will be in the focus of attention, including the developments in forming the post-Renzi government.

Date	Cd.	Data/event	Időszak	Fact.	Consensus	Previous
2016 12. 5.	9 : 00	HU Retail sales (yoy, %, first estimate)	okt.		-	5,1
	10 : 30	EZ Sentix Investor sentiment (point)	dec.		13,0	13,1
	10 : 30	EZ Eurogroup meeting	dec.			
	11 : 00	EZ Retail sales (mom, %)	okt.		0,7	-0,2
	16 : 00	US ISM non-manufacturing PMI (point)	nov.		55,3	54,8
6.	8 : 00	DE Industrial orders (mom, %)	okt.		0,5	-0,6
	9 : 00	CZ Retail sales (yoy, %)	okt.		-	4,7
	9 : 00	HU Industrial production (preliminary (yoy, %)	okt.		-	-3,7
	9 : 00	HU GDP (detailed, yoy, %)	Q3		-	2,0*
	9 : 00	RO GDP (detailed, yoy, %)	Q3		-	6,0
9.	9 : 00	SK GDP (detailed, yoy, %)	Q3		-	3,8
	11 : 00	EZ GDP (revision, yoy, %)	Q3		1,6	1,6*
	11 : 00	EZ GDP (revision, qoq, %)	Q3		0,3	0,3*
	16 : 00	US Factory orders (mom, %)	okt.		2,2	0,3
			EU ECOFIN meeting	dec.		
7.	8 : 00	DE Industrial production (mom, %)	okt.		0,8	-1,8
	9 : 00	HU International reserves (preliminary, billion EUR)	nov.		-	25,0
	10 : 30	UK Industrial production (mom, %)	okt.		0,2	-0,4
	11 : 00	HU Fiscal balance (monthly, billion HUF)	nov.		-	59,7
	11 : 30	PL Interest rate decision (%)	dec.		1,5	1,5
8.	0 : 50	JP GDP (revision, annualized qoq, %)	Q3		2,4	2,2
	3 : 00	CN Import (yoy, %)	nov.		-	-1,4
	3 : 00	CN Export (yoy, %)	nov.		-	-7,3
	9 : 00	HU CPI (yoy, %)	nov.		-	1,0
	9 : 00	HU core-CPI (yoy, %)	nov.		-	1,4
9.	9 : 00	HU Trade balace (preliminary, monthly, million euro)	okt.		-	1005,0
	13 : 45	EZ ECB interest rate decision (loan)	dec.		0,0	0,0
	13 : 45	EZ ECB interest rate decision (deposit)	dec.		-0,4	-0,4
	8 : 00	DE Export (mom, %)	okt.		1,0	-0,7
	16 : 00	US Wholesale inventoris (revision, mom, %)	okt.		0,2	-0,4*
16 : 00	US Michigan consumer confidence (preliminary, point)	dec.		94,0	93,8	

* preliminary data

Source: Reuters, OTP Research

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