

Treasury Sales Team

Headquarter Treasury Sales

Ionut Constandache
0372 31 85 86
ionut.constandache@otpbank.ro

Corina Bejan
0372 31 85 87
corina.bejan@otpbank.ro

Anamaria Toma
0372 31 85 85
anamria.toma@otpbank.ro

Cristian Bodirca
0372 31 85 88
cristian.bodirca@otpbank.ro

Regional Treasury Sales

Szilamer Kozma - Cluj
0755 000 400
szilamer.kozma@otpbank.ro

Tudor Zaman - Bucuresti
0755 000 199
tudor.zaman@otpbank.ro

Alexandru Sabin - Arad
0755 000 255
alexandru.sabin@otpbank.ro

Andrei Sala - Brasov
0755 000 015
andrei.sala@otpbank.ro



Global Daily Report

Summary

- President Trump's tax reduction plan and Fed interest rate hike hopes fuelled stock markets yesterday
- The USD continued its winning streak, advanced economies' bond yields rose

In Wednesday's upbeat sentiment, most stock markets recovered from the previous days' downward moves. One important reason may have been President Trump's speech in Indianapolis, where he disclosed details about his tax reduction plan, which includes cutting the corporate tax rate from 35% to 20%. Expectations that the Fed would raise its interest rates this year helped financial shares outperform. The technology sector also fared well.

Fed chair Janet Yellen's Tuesday speech bolstered expectations that the FOMC would raise interest rates this year: forward rate agreements suggest that the probability of a December Fed fund rate hike has grown from 72% to 84%. This hope helped the USD strengthen 0.3-0.5% against the key currencies, and the US 10Y yield rose seven points, to 2.5-year high.

In the commodity world, the Brent edged lower, while the WTI slightly increased as statistics painted a picture of shrinking US inventories. Precious metal prices have eased.

Of the handful of macrodata released on Wednesday, transactions on US housing market fell sharply in August; probably the hurricane season played a part too. Durable goods orders surged steeper than had been thought, boosted by new aircraft orders for Boeing. Orders for non-defence capital goods excluding aircraft grew steadily, by nearly 1% in month/month terms.

The third estimate on America's economic output in the second quarter is due out today. Europe will release the September reading of confidence indices. Germany is to publish the preliminary estimate on inflation in September. GfK's consumer confidence index for October unexpectedly fell, owing to the lower scores in income expectations and propensity to buy.

	Stocks				Bonds				Commodity & FX			
	Product name	Close	Daily change (%)	YTD (%)	Product name	Yield	Daily change*	YTD*	Product name	Close	Daily change (%)	YTD (%)
Global	S&P500	2507,0	0,4	12,0	VIX	9,9	-2,9	-30	WTI	52,14	0,1	-2,9
	DOW	22340,7	0,3	13,0	US 2Y	1,48	4,2	28	Brent	57,90	-0,9	1,9
	Nasdaq100	5937,8	1,0	22,1	US 10Y	2,31	8,0	-12	Gold	1280,7	-1,0	11,2
	DAX	12657,4	0,4	10,2	GER 2Y	-0,69	0,5	10	Silver	16,74	-0,2	5,1
	CAC40	5282,0	0,3	8,6	GER 10Y	0,47	5,7	26	EUR/USD	1,1743	-0,4	11,7
	FTSE 100	7313,5	0,4	2,4	PT10Y	2,46	5,5	-130	EUR/GBP	0,8776	0,2	3,0
	FTSE MIB	22622,2	0,9	17,6	IT 10Y	2,22	3,7	39	EUR/NOK	9,3370	0,3	2,8
	Stoxx600	385,6	0,4	6,7	SP 10	1,64	3,3	25	USD/CAD	1,2472	1,0	-7,1
	- Banks	164,8	1,7	22,9	iTRAXX	57,6	-1,5	-20	AUD/USD	0,7848	-0,5	8,8
	Nikkei 225	20372,0	0,5	6,6	JPY 2Y	-0,11	1,5	6	USD/JPY	112,81	0,5	-3,5
SSEC	3368,8	0,7	8,5	JPY 10Y	0,07	2,2	2	GBP/USD	1,3384	-0,5	8,5	
Regional	RTS	1126,9	0,0	-2,2	RUS10	7,67	0,5	-8	USD/RUB	58,185	0,6	-5
	WIG20	2433,82	-0,4	24,9	POL 10	3,36	1,4	-7	EUR/PLN	4,3232	0,9	-1,8
	PX50	1043,7	0,1	13,2	CZ10	1,15	-3,0	146	EUR/RON	4,5956	-0,1	1,3
Hungary	BUX	37244	-0,2	16,4	3M TB	0,04	0	-12	EUR/HUF	311,23	0,0	0,8
	OTP	9650	-0,6	14,9	1Y	0,02	0	-16	USD/HUF	265,06	0,5	-9,7
	MOL	3060	0,7	18,6	3Y	0,47	6	-39	CHF/HUF	272,53	0,0	-5,3
	MTelekom	477	0,4	-4,2	5Y	1,25	1	-52	PLN/HUF	71,970	-0,8	2,7
	Richter	6608	-1,1	6,4	10Y	2,59	9	-61	GBP/HUF	354,57	-0,1	-2

* In the case of bond yields, the change is in basis points instead of percentage (VIX and ITRAXX not included).

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2017 9. 25.	2 : 30	JP Nikkei Manufacturing PMI (points)	Sept.	52,6	-	52,2
	10 : 00	DE IFO Economic sentiment index (points)	Sept.	115,2	116	115,9
	26. 15 : 00	US Case-Shiller Home Price Index (yoy, %)	July	5,8	5,8	5,7
	16 : 00	US Consumer confidence (point)	Sept.	119,8	120	122,9
	16 : 00	US New home sales (annualized monthly, '000s)	Aug.	560	588	571
	27. 9 : 00	HU Unemployment rate (%)	Aug.	4,2	-	4,2
	10 : 30	UK GDP (detailed, qoq, %)	Q2	0,3	0,3	0,3
	10 : 30	UK GDP (detailed, yoy, %)	Q2	1,7	1,7	1,7
	13 : 00	CZ Interest rate decision (%)	Sept.	0,3	-	0,3
	14 : 30	US Durable goods orders (mom, %)	Aug.	1,7	1,0	-7
	16 : 00	US Pending home sales (mom, %)	Aug.	-2,6	-0,5	-0,8
	28. 1 : 30	JP CPI (yoy, %)	Aug.		0,5	0,4
	1 : 30	JP core-CPI (yoy, %)	Aug.		0,7	0,5
	11 : 00	EZ EC Economic Sentiment Index (points)	Sept.		112	111,9
	14 : 00	DE CPI (flash, yoy, %)	Sept.		1,8	1,8
	14 : 30	US GDP (detailed, yoy, %)	Q2		3	3,0*
	29. 8 : 00	DE Retail sales (mom, %)	Aug.		0,5	-1,2
	9 : 00	HU Industrial producer prices (yoy, %)	Aug.		-	1,2
	9 : 00	HU Fiscal balance (% of GDP)	Q2		-	-1,7
	11 : 00	EZ CPI (flash, yoy, %)	Sept.		1,6	1,5
	11 : 00	EZ Core CPI (flash, yoy, %)	Sept.		1,2	1,3
	14 : 30	US Personal income (mom, %)	Aug.		0,2	0,4
	14 : 30	US Personal consumption (adjusted, mom, %)	Aug.		0,1	0,3
	15 : 45	US Chicago PMI (points)	Sept.		58,5	58,9
	30. 3 : 00	CN NBS Manufacturing PMI (points)	Sept.		-	51,7
	3 : 00	CN NBS non-Manufacturing PMI (points)	Sept.		-	53,4

* preliminary data

Source: Reuters, OTP Research

Chief Economist
Gergely Tardos
tardosg@otpbank.hu
+36 1 374 7273

Analyst
Gábor Pellényi
pellenyig@otpbank.hu
+36 1 374 7276

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