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Global Daily Report

Summary

- Owing to the US holiday, there was lower-than-usual turnover on local and European stock markets yesterday.
- The escalating conflict between the USA and Turkey weakened the TRY by 3%, and weighed on Turkey's stock index.
- Saudi Arabia is prepared to sharply cut its output in November.

Most stock markets in Western Europe opened the week with modest gains. The majority of European stock markets lacked a single direction on Monday: the pan-European Stoxx600 upped 0.2%, while the FTSE's 0.2% decline was out of the ordinary. The Madrid stock exchange, which plunged after the 1 October referendum, corrected yesterday, advancing 0.5%. The escalating conflict between the USA and Turkey brought the Turkish lira and the Istanbul stock index 3% down.

In the USA, trading volumes were light on Columbus Day, and all benchmark indices ended Monday's session lower: the Dow and the NASDAQ100 shed 0.1%, the S&P and the NASDAQ Composite dropped 0.2% each, and the Russell2000 fell 0.4%. In the corporate world, GE's share price saw its largest loss in more than a year – it shrank nearly 4% as news on a change in the management fretted investors. It was the health care, financial, and consumer sectors that weighed on the S&P's sector indices, and the gains made by technology, real property, and energy names could not offset those losses. On Thursday, JPMorgan's Q3 report will kick off the earnings season.

Asia's stock markets closed mostly higher; only the Shanghai Composite edged 0.1% down. In South Korea, Samsung shares made their biggest rally in a year, owing to investors' great expectations ahead of the company's quarterly earnings report, due out on Friday.

The USD's continued ailing pushed the EUR/USD 0.2% higher, and the USD/GBP 0.6% lower yesterday.

The WTI and the Brent climbed 0.3% higher each on Monday, after OPEC secretary-general's hint at extending the oil production freeze, following the weekend meeting of member states and non-OPEC states who joined the organization's output cuts. Saudi Arabia's oil producing company announced to carry out the largest production cut in its history in November.

Elsewhere in the commodity world, the price of zinc shrank by 1.6%, and tin contracted by 1.9%. The former corrected after rallying 10% in the past three weeks. In agricultural commodities, cocoa dived 4%, reversing the more-than-13% jump in the past eight weeks.

Spanish assets may be in the centre of attention today, when Carles Puigdemont is to address the Catalan parliament. Declaring independence is in the cards too, while he also calls for mediated negotiations with Madrid.

	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	2544,7	-0,2	13,7	VIX	10,3	7,0	-26	WTI	49,58	0,3	-7,7
	DOW	22761,1	-0,1	15,2	US 2Y	1,51	0,0	31	Brent	55,79	0,3	-1,8
	Nasdaq100	6058,5	-0,1	24,6	US 10Y	2,37	0,0	-6	Gold	1283,9	0,7	11,5
	DAX	12976,4	0,2	13,0	GER 2Y	-0,70	-0,5	9	Silver	16,94	1,0	6,3
	CAC40	5365,8	0,1	10,4	GER 10Y	0,44	-1,8	24	EUR/USD	1,1739	0,1	11,7
	FTSE 100	7507,9	-0,2	5,1	PT10Y	2,40	-3,5	-136	EUR/GBP	0,8931	-0,6	4,8
	FTSE MIB	22476,8	0,4	16,9	IT 10Y	2,17	-3,3	35	EUR/NOK	9,3744	0,0	3,2
	Stoxx600	390,2	0,2	8,0	SP 10	1,68	0,9	29	USD/CAD	1,2547	0,1	-6,6
	- Banks	164,6	-0,2	22,7	iTRAXX	57,0	0,1	-21	AUD/USD	0,7752	-0,2	7,4
	Nikkei 225	20814,7	0,6	8,9	JPY 2Y	-0,14	-0,7	3	USD/JPY	112,66	0,0	-3,6
SSEC	3368,8	-0,2	8,5	JPY 10Y	0,06	0,5	1	GBP/USD	1,3140	0,6	6,5	
Regional	RTS	1132,5	-0,2	-1,7	RUS10	7,62	0,3	-9	USD/RUB	58,244	0,2	-5
	WIG20	2499,35	0,8	28,3	POL 10	3,51	0,2	-3	EUR/PLN	4,2970	-0,3	-2,4
	PX50	1059,1	0,1	14,9	CZ10	1,34	-0,1	187	EUR/RON	4,5685	-0,1	0,7
Hungary	BUX	38009	0,2	18,8	3M TB	0,03	1	-13	EUR/HUF	311,45	-0,1	0,9
	OTP	10370	0,6	23,5	1Y	0,04	0	-14	USD/HUF	265,29	-0,2	-9,6
	MOL	2990	0,9	15,9	3Y	0,65	4	-21	CHF/HUF	270,88	-0,5	-5,9
	MTelekom	479	-0,6	-3,8	5Y	1,38	1	-39	PLN/HUF	72,450	0,0	3,4
	Richter	6628	-1,4	6,7	10Y	2,78	2	-42	GBP/HUF	348,53	0,3	-3

* 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 10. 9.	8 : 00 DE	Industrial production (mom, %)	Aug.	2,6	0,7	-0,1
	9 : 00 HU	Trade balance (preliminary, monthly, EUR mn)	Aug.	440	520	303,0
	10 : 30 EZ	Sentix Investor confidence (points)	Oct.	29,7	28	28,2
10.	8 : 00 DE	Export (mom, %)	Aug.	3,1	1,1	0,2
	9 : 00 HU	Inflation (yoy, %)	Sept.		2,6	2,6
	9 : 00 HU	Core inflation (yoy, %)	Sept.		-	2,8
	10 : 30 UK	Industrial production (mom, %)	Aug.		0,1	0,20
11.	20 : 00 US	FOMC Minutes	Sept.		-	-
12.	9 : 00 HU	Industrial production (second estimate, yoy, %)	Aug.		-	6,8*
	12 : 00 EZ	Industrial production (mom, %)	Aug.		0,3	0,1
	20 : 00 US	Federal budget balance (USDbn)	Sept.		-	-108
13.	14 : 30 CN	Export (yoy, %)	Sept.		8,8	5,5
	14 : 30 CN	Import (yoy, %)	Sept.		13,5	13,3
	4 : 00 DE	CPI (final, yoy, %)	Sept.		1,8	1,8*
	4 : 00 US	CPI (yoy, %)	Sept.		2	1,9
	8 : 00 US	CPI (mom, %)	Sept.		0,4	0,4
	14 : 30 US	core-CPI (yoy, %)	Sept.		1,8	1,7
	14 : 30 US	core-CPI (mom, %)	Sept.		0,2	0,2
	14 : 30 US	Retail sales (mom, %)	Sept.		0,4	-0,2
	16 : 00 US	Business inventories (mom, %)	Aug.		0,4	0,2
	16 : 00 US	Michigan Consumer confidence (preliminary, points)	Oct.		95,8	95
	0 : 0 US	IMF - Annual Conference (13-15th Oct.)	-		-	-
15.	0 : 0 AT	Parliamentary election	-		-	-

* preliminary data

Source: Reuters, OTP Research

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