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Global Daily Report

Summary

- Stock markets broke records again, Wednesday's corporate earnings figures were impressive
- Alteo is to simplify its subsidiary structure, with a view to curb costs
- Oil prices continued to climb higher, other commodities mostly dropped
- Government bond yields on advanced markets have risen
- Madrid's ultimatum to the Catalan regional government expires at 10:00 today

The optimism persisted on the world's stock markets, with Germany's DAX and several US indices closing at new highs. For the first time in its history, the Dow broke through the 23,000 level. Many corporate earnings reports surprised on the upside. The quarterly profit of American Express jumped 19% higher. IBM sky-rocketed 9% on reports that its revenue finally picked up at the end of the third quarter. Revamping its e-commerce platform boosted eBay's revenue by 8.7%. However, the news announced by Ford was less cheering: recalling 1.3 million of F model pick-ups, its most popular and profitable vehicle, will incur USD 267 million extra cost in Q4.

Oil prices climbed higher again on Wednesday, but its impetus was diminished by US inventory data, which signify a growth in end products. That said, API's data point to a stronger-than-expected fall in US crude reserves last week. Precious metals, industrial raw materials, and cereals prices all slipped on Wednesday.

Developed markets' government bond yields rose yesterday. On currency markets, the US dollar and the yen weakened while the EUR and the GBP firmed.

The Fed Beige Book revealed that the recent hurricanes may have decelerated economic growth in the third quarter. Job creation remained strong, and many regions experience labour shortage. Yet there is no sign of acceleration in wages or inflation. The US housing starts data published on Wednesday were rather weak. Even though hurricanes had an adverse effect on the housing market, statistics suggest that the recovery on this market came to a sudden halt. The construction industry's dynamics in the eurozone decelerated in August. China's third-quarter GDP reading, published on the week of the Communist party's national congress, did not cause surprise: the growth rate decelerated slightly, from 6.9% to 6.8% year over year.

Spain is likely to be in the focus of attention today. Madrid has given the Catalan regional leadership until 10:00 a.m. to revoke its declaration of independence, or else Madrid will impose direct rule in Catalonia. Elsewhere, the United Kingdom is to release September retail sales data, and the Philadelphia Fed index is due out in the USA. In the corporate world, the quarterly earnings figures of PayPal, Philip Morris and Verizon will see the light of day today.

| | 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 | 2561,3 | 0,1 | 14,4 | VIX | 10,1 | -2,3 | -28 | WTI | 52,26 | 0,5 | -2,7 |
| | DOW | 23157,6 | 0,7 | 17,2 | US 2Y | 1,56 | 1,3 | 37 | Brent | 58,15 | 0,5 | 2,3 |
| | Nasdaq100 | 6114,4 | -0,1 | 25,7 | US 10Y | 2,34 | 4,1 | -9 | Gold | 1280,8 | -0,3 | 11,2 |
| | DAX | 13043,0 | 0,4 | 13,6 | GER 2Y | -0,72 | 1,3 | 8 | Silver | 16,98 | 0,0 | 6,6 |
| | CAC40 | 5383,8 | 0,4 | 10,7 | GER 10Y | 0,40 | 3,4 | 19 | EUR/USD | 1,1787 | 0,2 | 12,1 |
| | FTSE 100 | 7542,9 | 0,4 | 5,6 | PT10Y | 2,36 | 2,2 | -140 | EUR/GBP | 0,8925 | 0,1 | 4,8 |
| | FTSE MIB | 22354,7 | 0,1 | 16,2 | IT 10Y | 2,05 | 4,1 | 22 | EUR/NOK | 9,3802 | 0,4 | 3,2 |
| | Stoxx600 | 391,6 | 0,3 | 8,3 | SP 10 | 1,62 | 7,1 | 23 | USD/CAD | 1,2465 | -0,4 | -7,2 |
| | - Banks | 163,9 | 0,7 | 22,2 | iTRAXX | 54,8 | -0,3 | -24 | AUD/USD | 0,7844 | 0,0 | 8,7 |
| | Nikkei 225 | 21448,0 | 0,4 | 12,2 | JPY 2Y | -0,14 | -0,7 | 4 | USD/JPY | 112,92 | 0,7 | -3,4 |
| SSEC | 3368,8 | -0,4 | 8,5 | JPY 10Y | 0,07 | -0,3 | 2 | GBP/USD | 1,3203 | 0,1 | 7,0 | |
| Regional | RTS | 1147,8 | 0,1 | -0,4 | RUS10 | 7,52 | -0,4 | -10 | USD/RUB | 57,446 | 0,2 | -6 |
| | WIG20 | 2502,34 | -0,5 | 28,5 | POL 10 | 3,31 | 0,6 | -9 | EUR/PLN | 4,2340 | 0,0 | -3,9 |
| | PX50 | 1053,8 | -0,2 | 14,3 | CZ10 | 1,43 | 1,5 | 206 | EUR/RON | 4,5852 | 0,1 | 1,1 |
| Hungary | BUX | 39082 | 0,4 | 22,1 | 3M TB | 0,03 | 0 | -13 | EUR/HUF | 308,00 | 0,1 | -0,3 |
| | OTP | 10740 | 1,2 | 27,9 | 1Y | 0,04 | -2 | -14 | USD/HUF | 261,23 | -0,1 | -11,0 |
| | MOL | 3141 | 0,4 | 21,8 | 3Y | 0,51 | 0 | -35 | CHF/HUF | 265,98 | -0,5 | -7,6 |
| | MTelekom | 474 | -0,6 | -4,8 | 5Y | 1,24 | 0 | -53 | PLN/HUF | 72,690 | 0,1 | 3,8 |
| | Richter | 6600 | -0,4 | 6,3 | 10Y | 2,57 | 3 | -63 | GBP/HUF | 344,84 | 0,0 | -5 |

* 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. 16. | 14 : 30 | US | New York Fed Manufacturing index (points) | Oct. | 30,2 | 20,75 | 24,4 |
| 17. | 9 : 00 | HU | Construction output (yoy, %) | Aug. | 36,8 | - | 22,7 |
| | 10 : 30 | UK | Inflation (yoy, %) | Sept. | 3,0 | 3,0 | 2,9 |
| | 10 : 30 | UK | Core inflation (yoy, %) | Sept. | 2,7 | 2,7 | 2,7 |
| | 11 : 00 | DE | ZEW Economic Sentiment (points) | Oct. | 17,6 | 19,5 | 17,0 |
| | 12 : 00 | EZ | CPI (final, yoy, %) | Sept. | 1,5 | 1,5 | 1,5* |
| | 15 : 15 | US | Industrial production (mom, %) | Sept. | 0,3 | 0,3 | -0,9 |
| 18. | 14 : 30 | US | Housing starts (annualized monthly, '000s) | Sept. | 1127,0 | 1175 | 1180 |
| | 14 : 30 | US | Building permits (annualized monthly, '000s) | Sept. | 1215,0 | 1255 | 1272 |
| | 20 : 00 | US | Beige Book | Oct. | - | - | - |
| 19. | 4 : 00 | CN | Infrastructural investments (yoy, %) | Sept. | 7,5 | 7,7 | 8 |
| | 4 : 00 | CN | Industrial production (yoy, %) | Q3 | 6,6 | 6,2 | 6,0 |
| | 9 : 00 | CN | Retail sales (yoy, %) | Aug. | 10,3 | 10,2 | 10,1 |
| | 4 : 00 | CN | GDP (yoy, %) | Sept. | 6,8 | 6,8 | 6,9 |
| | 4 : 00 | CN | GDP (qoq, %, SA) | Sept. | 1,7 | 1,7 | 1,8 |
| | 4 : 00 | HU | Gross wages (yoy, %) | Q3 | | - | 13,1 |
| | 10 : 30 | UK | Retail sales (mom, %) | Sept. | | -0,2 | 1,0 |
| | 16 : 00 | US | Leading index (mom, %) | Sept. | | 0,2 | 0,4 |
| 20. | 16 : 00 | US | Existing home sales (mom, %) | Sept. | | 5310 | 5350 |
| | | HU | Moody's Credit Rating decision | Oct. | | - | Baa3 stabil |
| 21. | 1 : 15 | US | Janet Yellen's speech (Washington) | Oct. | | - | - |

* preliminary data

Source: Reuters, OTP Research

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