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Global Daily Report

Summary

- Monday's trading sentiment was mixed in Europe; America's key indices sank into the red.
- The US reporting season is in full swin, with Alphabet, Microsoft, Ford, Volkswagen, and Boeing publishing earnings later this week.
- The possible escalation of the Spanish-Catalan conflict may keep Spanish assets under pressure.

Europe's stock markets opened the week mixed: the FTSE and the DAX practically stagnated; Athens saw the sharpest loss (-2%). The Stoxx600 upped 0.2%. Spain's IBEX shed 0.6% on Monday as the Spanish-Catalan conflict escalated, while Saturday's victory of the euro sceptical ANO party (which is against the euro and the two-speed Europe) in the Czech Republic dragged down the Prague index by 0.8%. The euro shed 0.3% against the USD, yet a number of big European car manufacturers' share price reversed, while Daimler and Volkswagen apparently shrugged off the European Commission's cartel investigation. Britain's GKN jumped 5.1% higher on Monday after weekend reports that the carmaker was to separate its automotive and aerospace divisions. In Germany, BASF and the sports apparel manufacturer Puma will release their earnings reports today.

In America, investors were far less enthusiastic after Friday's record highs, and the key benchmarks sank into the red by the close; the Dow dipped 0.2%; the S&P shrank 0.4%, the NASDAQ100 closed 0.7% down. All of the S&P's sector indices but utilities weakened; with the discretionary goods, industry and energy sectors seeing the sharpest losses. GE nose-dived more than 6%; a week after disappointing investors with rather pessimistic outlook, now the analysts of JPMorgan Chase and Morgan Stanley cut their target prices for the stocks, and recommended them for Underweight. Monday's sentiment was largely undermined by President Trump's tax plan, while investors' focus shifted to the corporate reports, as 200 of the S&P500 companies are publish their quarterly figures this week. Halliburton fell 2.5% despite the better-than-expected profit numbers. Some technology giants also fell sharply; the FANG group members lost 1.6% on average yesterday; two of them, Amazon and Google, are to publish their earnings figures on Thursday. The quarterly earnings reports of 3M, Lockheed Martin, and McDonald's are due out today.

Asia's stock markets closed mixed; the optimism in Japan markets persisted. The Japanese stock market welcomed the re-election of Shinzo Abe and his party at the early elections. The Nikkei has been rising for more than three weeks in a row, and it extended the gains by 1.1% on Monday and by 0.5% today.

The result of the Japanese elections sent the USD/JPY to lows last seen in mid-July. The EUR/USD sank to 1.1750. The GBP barely moved on Monday.

The WTI crude oil slipped 0.7% on Monday, drawing near 52 USD/barrel, while the Brent sank 0.1%. Iraq is reported to have launched new shipping capacity to make up for the production that halted in Kurdish territories, boosting exports by 200,000 barrels/day.

The real property price index released in China on Monday was lower than expected; the September year/year gauge signified only 6.3% price growth, undershooting the 8.2% forecast. The eurozone consumer confidence index in October stood in negative territory, but improved slightly.

This morning's release of Japan's Nikkei manufacturing PMI sank to 52.5 in October, down from 52.9 a month earlier. Today the Markit manufacturing manager index will see the light of day in the eurozone, Germany, and the USA.

	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	2565,0	-0,4	14,6	VIX	11,1	11,0	-21	WTI	51,84	0,0	-3,5
	DOW	23274,0	-0,2	17,8	US 2Y	1,57	-0,8	37	Brent	57,37	-0,7	1,0
	Nasdaq100	6067,8	-0,7	24,8	US 10Y	2,38	-0,6	-6	Gold	1281,7	0,1	11,3
	DAX	13003,1	0,1	13,3	GER 2Y	-0,73	-0,7	7	Silver	17,05	0,3	7,0
	CAC40	5386,8	0,3	10,8	GER 10Y	0,44	-1,6	23	EUR/USD	1,1747	-0,3	11,7
	FTSE 100	7524,5	0,0	5,3	PT10Y	2,31	-0,4	-145	EUR/GBP	0,8902	-0,3	4,5
	FTSE MIB	22379,2	0,1	16,3	IT 10Y	2,01	-4,0	18	EUR/NOK	9,4001	-0,1	3,5
	Stoxx600	390,7	0,2	8,1	SP 10	1,63	-3,7	23	USD/CAD	1,2650	0,2	-5,8
	- Banks	163,3	-0,9	21,7	iTRAXX	54,5	-3,5	-25	AUD/USD	0,7805	-0,2	8,2
	Nikkei 225	21805,2	0,5	14,1	JPY 2Y	-0,13	0,0	4	USD/JPY	113,42	-0,1	-3,0
SSEC	3368,8	-0,4	8,5	JPY 10Y	0,07	-0,1	2	GBP/USD	1,3196	0,1	7,0	
Regional	RTS	1131,1	-0,3	-1,8	RUS10	7,55	0,0	-10	USD/RUB	57,477	0,0	-6
	WIG20	2473,42	0,3	27,0	POL 10	3,38	-0,2	-7	EUR/PLN	4,2258	-0,2	-4,0
	PX50	1048,3	-0,8	13,7	CZ10	1,68	8,0	260	EUR/RON	4,5946	-0,1	1,3
Hungary	BUX	39133	0,0	22,3	3M TB	0,03	0	-13	EUR/HUF	307,94	0,0	-0,3
	OTP	10660	0,0	26,9	1Y	0,04	0	-14	USD/HUF	261,96	0,3	-10,7
	MOL	3195	0,0	23,9	3Y	0,51	0	-35	CHF/HUF	265,79	0,0	-7,7
	MTelekom	471	0,0	-5,4	5Y	1,26	0	-51	PLN/HUF	72,790	0,0	3,9
	Richter	6545	0,0	5,4	10Y	2,54	0	-67	GBP/HUF	345,33	0,2	-4

* 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. 23.	16 : 00	EZ	Consumer confidence index (flash, points)	Oct.	-1	-1,1	-1,2
24.	2 : 30	JP	Nikkei Manufacturing PMI (points)	Oct.	52,5	-	52,9
	9 : 00	FR	Markit Service PMI (points)	Oct.		54,8	54,9
	9 : 00	FR	Markit Manufacturing PMI (points)	Oct.		55,5	55,8
	9 : 00	HU	Retail sales (second estimate, yoy, %)	Aug.		-	4,6*
	9 : 30	DE	Markit Service PMI (points)	Oct.		55,6	55,6
	9 : 30	DE	Markit Manufacturing PMI (points)	Oct.		60	60,6
	10 : 00	EZ	Markit Service PMI (points)	Oct.		55,7	56
	10 : 00	EZ	Building permits (annualized monthly, '000s)	Oct.		57,8	58
	14 : 00	HU	Interest rate decision (%)	Oct.		0,9	0,9
	15 : 45	US	Infrastructural investments (yoy, %)	Oct.		55,7	55
	10 : 30	US	Markit Manufacturing PMI (points)	Q3		53,5	53,1
25.	14 : 30	DE	IFO Economic sentiment index (points)	Sept.		115,2	115,2
	15 : 45	UK	GDP (preliminary, qoq, %)	Oct.		0,3	0,3
	10 : 00	UK	GDP (qoq, %, SA)	Oct.		1,4	1,5
	10 : 30	US	Durable goods orders (mom, %)	Q3		1,1	2,0
	16 : 00	US	New home sales (annualized monthly, '000s)	Sept.		560	560,0
26.	9 : 00	HU	Unemployment rate (%)	Sept.		-	4,2
	13 : 45	EZ	Interest rate decision (lending rate, %)	Oct.		0	0
		EZ	Interest rate decision (deposit rate, %)	Oct.		-0,4	-0,4
		US	Pending home sales (mom, %)	Sept.		0,2	-2,6
27.		JP	CPI (yoy, %)	Sept.		-	0,7
		JP	core-CPI (yoy, %)	Sept.		0,8	0,7
		US	GDP (preliminary, annualized qoq, %)	Q3		2,6	3,1

*preliminary data

Source: Reuters, OTP Research

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