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# Global Daily Report

### Summary

- In Europe investors cheered the continuation of the ECB's QE programme; US stock indices barely moved yesterday
- The EUR fell sharply, to three-month low versus the USD
- The first estimate of America's Q3 GDP is due out today

US stock indices made subtle moves on Thursday. Pharmaceutical shares fell noticeably on news that Amazon had obtained pharmacy wholesale distribution licence in 12 states of America. The news sent the online retailer's share price 0.3% higher. Following the publication of their earnings reports, Ford's stock price reversed 0.8%, Nokia nose-dived 21.3%, and Twitter sky-rocketed 18.5%.

In Europe, investors appreciated the European Central Bank's announcements to continue its quantitative easing programme for nine months, until September 2018, and to reduce the monthly purchases to EUR 30 billion, from EUR 60 billion. The programme remains open-ended, and the ECB may adjust its monthly amount at any time. The post-meeting statement retained the message that interest rates may remain at low levels well after the programme ends. The key interest rates remained in place this time. After stock markets closed, the Catalan crisis deepened: after the Catalan government ruled out a snap election, an ad hoc committee of the Madrid parliament last night voted to dissolve the Catalan government and call new elections under Article 155 of the Spanish constitution.

The euro fell by a significant 1.5% versus the US dollar after the ECB's announcement: the EUR/USD was traded near 1.165, at its three-month low after US market close. The 10Y German bund yield sank seven basis points. The WTI crude's price hit a six-month high. This morning the greenback extended its gains and most stock markets in Asia advanced.

Hungary's stock market was rather lacklustre on Thursday, yet the BUX outperformed the benchmark indices of Prague and Bucharest. At one point on Thursday, OTP hit its all-time high of HUF 10,980 (its previous record was HUF 10,970 in June 2017) but the 11,000 level proved to be a strong resistance and the share price dropped back to the morning's level of HUF 10,900 by the close.

US pending home sales came in somewhat weaker than expected – after the sharp contraction in August, the number of transactions stagnated in September, wrong-footing analysts who had expected a 0.2% uptick. The data published earlier this morning in Japan reflect that September headline inflation and core inflation both remained at 0.7%.

The most important macroeconomic publication due out today is the first estimate of the third-quarter GDP of the USA, to be released two days after the UK economic output statistics, which were a tad stronger than predicted. Analysts' consensus expects America's annualized quarter-on-quarter growth to have decelerated to 2.6% (partly because of the hurricane season), from 3.1% in the second quarter.

	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	2560,4	0,1	14,4	VIX	11,3	0,6	-20	WTI	52,84	1,3	-1,6
	DOW	23400,9	0,3	18,4	US 2Y	1,62	1,2	42	Brent	59,30	1,5	4,4
	Nasdaq100	6037,9	-0,3	24,1	US 10Y	2,45	1,0	2	Gold	1266,7	-0,8	10,0
	DAX	13133,3	1,4	14,4	GER 2Y	-0,74	-3,1	6	Silver	16,74	-1,0	5,1
	CAC40	5455,4	1,5	12,2	GER 10Y	0,44	-4,7	23	EUR/USD	1,1650	-1,4	10,8
	FTSE 100	7486,5	0,5	4,8	PT10Y	2,26	-4,9	-150	EUR/GBP	0,8851	-0,6	3,9
	FTSE MIB	22807,4	1,6	18,6	IT 10Y	1,97	-7,2	14	EUR/NOK	9,5181	0,5	4,8
	Stoxx600	391,3	1,1	8,3	SP 10	1,55	-9,7	15	USD/CAD	1,2845	0,4	-4,4
	- Banks	163,8	-0,4	22,1	iTRAXX	52,8	-4,3	-27	AUD/USD	0,7660	-0,6	6,2
	Nikkei 225	22008,5	1,3	15,1	JPY 2Y	-0,15	-0,6	3	USD/JPY	113,97	0,2	-2,5
SSEC	3368,8	-1,1	8,5	JPY 10Y	0,07	0,2	2	GBP/USD	1,3158	-0,8	6,7	
Regional	RTS	1118,2	0,0	-3,0	RUS10	7,57	-0,1	-10	USD/RUB	57,837	0,1	-6
	WIG20	2456,17	0,3	26,1	POL 10	3,44	0,3	-5	EUR/PLN	4,2520	0,4	-3,4
	PX50	1056,7	-0,7	14,7	CZ10	1,64	-3,3	252	EUR/RON	4,5948	0,0	1,3
Hungary	BUX	39890	0,1	24,6	3MTB	0,03	0	-13	EUR/HUF	310,54	0,2	0,6
	OTP	10900	0,0	29,8	1Y	0,04	0	-14	USD/HUF	266,51	1,6	-9,2
	MOL	3252	0,4	26,1	3Y	0,54	2	-32	CHF/HUF	267,03	0,8	-7,3
	MTelekom	471	0,0	-5,4	5Y	1,26	2	-51	PLN/HUF	73,000	-0,2	4,2
	Richter	6725	0,2	8,3	10Y	2,49	-2	-71	GBP/HUF	350,59	0,8	-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. 23. 16 : 00	EZ	Consumer confidence index (flash, points)	Oct.	-1,0	-1,0	-1,2
24. 2 : 30	JP	Nikkei Manufacturing PMI (points)	Oct.	52,5	-	52,9
9 : 00	FR	Markit Service PMI (points)	Oct.	57,4	54,8	54,9
9 : 00	FR	Markit Manufacturing PMI (points)	Oct.	56,7	55,5	55,8
9 : 00	HU	Retail sales (second estimate, yoy, %)	Aug.	4,7	-	4,6*
9 : 30	DE	Markit Service PMI (points)	Oct.	55,2	55,6	55,6
9 : 30	DE	Markit Manufacturing PMI (points)	Oct.	60,5	60,0	60,6
10 : 00	EZ	Markit Service PMI (points)	Oct.	54,9	55,7	55,8
10 : 00	EZ	Markit Manufacturing PMI (points)	Oct.	58,6	57,8	58,1
14 : 00	HU	Interest rate decision (%)	Oct.	0,9	0,9	0,9
15 : 45	US	Markit Service PMI (points)	Oct.	55,9	55,7	55,3
15 : 45	US	Markit Manufacturing PMI (points)	Q3	54,5	53,5	53,1
25. 10 : 00	DE	IFO Economic sentiment index (points)	Sept.	116,7	115,2	115,2
10 : 30	UK	GDP (preliminary, qoq, %)	Oct.	0,4	0,3	0,3
10 : 30	UK	GDP (preliminary, yoy, %)	Oct.	1,5	1,4	1,5
14 : 30	US	Durable goods orders (mom, %)	Q3	2,0	1,0	2,0
16 : 00	US	New home sales (annualized monthly, '000s)	Sept.	667,0	560,0	560,0
26. 9 : 00	HU	Unemployment rate (%)	Sept.	4,1	-	4,2
13 : 45	EZ	Interest rate decision (lending rate, %)	Oct.	0,0	0,0	0,0
13 : 45	EZ	Interest rate decision (deposit rate, %)	Oct.	-0,4	-0,4	-0,4
16 : 00	US	Pending home sales (mom, %)	Sept.	0,0	0,2	-2,6
27. 1 : 30	JP	CPI (yoy, %)	Sept.	0,7	-	0,7
1 : 30	JP	core-CPI (yoy, %)	Sept.	0,7	0,8	0,7
14 : 30	US	GDP (preliminary, annualized qoq, %)	Q3		2,6	3,1

\*preliminary data

Source: Reuters, OTP Research

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