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# Global Daily Report

## Summary

- Amid the buoyant sentiment in Europe the DAX hit new high.
- The cheering earnings reports set the tech sector in motion again; Amazon jumped 13% higher.
- The Brent traded above 60 USD/barrel again.

Friday's sentiment was basically optimistic on Western Europe's stock markets, where the Stoxx600 rose by 0.6%. The FTSE climbed 0.3% higher, while growing 0.6% took the DAX to its highest on record. In London mining names dropped back but the energy sector benefited from the increase in oil prices. In Germany, Deutsche Bank and Commerzbank sank more than 2% in the red, whereas car manufacturers, headed by Volkswagen's nearly 4% rally, made headway on Friday. Lufthansa descended 0.9%, and its British rival EasyJet plunged 3.2%, while Ryanair failed to agree about pilots' wages, and Air Berlin plummeted 7% on Friday, when its airplanes took off for the last time. The political uncertainty in Spain left its mark on the local stock market's performance on Friday: the declaration of Catalonia's independence sent the Madrid index nearly 2% lower, but later eroded some of the loss, closing 1.4% in the red. In response to Catalonia's move, the Spanish government introduced Article 155, under which it dissolved Catalan autonomous government and regional parliament, calling new regional elections to be held on 21 December. Spain's 10Y bond yields rose by five basis points on Friday.

America also broke records on Friday, mostly thanks to the tech sector. The NASDAQ Composite surged 2.2%, the NASDAQ100 rallied 2.9% breaking a new record. After trading hours on Thursday, Alphabet and Amazon published their far-better-than-expected profit figures, sending indices sky-rocketing on Friday, helping Amazon's and Alphabet's shareholders to 13% and 4.3% gains, respectively. The technology rally benefited Apple (+3.6%), Facebook (+4.3%), Microsoft (+6.4%) and Intel (+7.4%) too. In addition to technology, consumer discretionary's surge was the other engine of the S&P's 0.8% upsurge on Friday. The losers included consumer staples and base materials as the greenback's strengthening keeps dollar-denominated commodity prices from rising. A number of companies will publish their quarterly reports today, including that of HSBC in Europe. JPMorgan Chase estimates that the Q3 profit growth may be twice as much in Europe as in America.

Most indices in Asia closed in negative territory this morning. The Nikkei practically stagnated, while the Shanghai Composite dipped 0.8% and the Hang Seng slipped 0.2%. China's 10Y bond yield upped 6 bps, to 3.90%, its highest in three years.

On currency markets, the US dollar appreciated on Friday, pushing the EUR/USD 0.4% lower, and the GBP/USD 0.3% down. However, USD/JPY fell on Friday.

On bond markets, yields dropped slightly on Friday. The US 10Y Treasury note yield sank four basis points on news that President Trump seems inclined to appoint Jerome Powell as Janet Yellen's successor at the Fed's helm, which could secure the continuity of the current monetary policy. The German 10Y bund yield sank 3 bps, and the British one dropped 4 bps on Friday.

Crude oil prices increased in Friday's trading as market participants expect OPEC's output freeze to be extended, while oil production could not restart in Iraq owing to fights with Kurdish troops. The Brent's price grew by 1.9%, to more than 60 USD/barrel, for the first time since 2015. The WTI upped 2.4%.

On Friday Standard & Poor's left Britain's sovereign debt rating at AA; the negative outlook implies that a downgrade may follow. The agency finds it improbable that the EU and the UK made an agreement on Brexit that would offer benefits comparable to the latter's EU membership. Fitch left Britain sovereign debt rating on hold at AA with negative outlook. Fitch's rationale also pointed at the uncertainty surrounding Brexit.

Japan's retail sales grew by 2.2% year/year in September, undershooting expectations. Retail sales in Germany also grew by a slower-than-expected 0.5% month/month, but its year-over-year 4.1% expansion has beaten forecasts. Later in the day, the eurozone will publish sentiment indices and inflation statistics for October. German inflation and Spanish GDP data will see the light of day. In the USA, personal incomes and expenditures statistics are due out and the Dallas Fed is to publish its manufacturing index for October.

	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	2581,1	0,8	15,3	VIX	9,8	-13,3	-30	WTI	53,90	2,0	0,3
	DOW	23434,2	0,1	18,6	US 2Y	1,60	-1,6	41	Brent	60,44	1,9	6,4
	Nasdaq100	6213,5	2,9	27,8	US 10Y	2,43	-2,6	0	Gold	1272,6	0,5	10,5
	DAX	13217,5	0,6	15,1	GER 2Y	-0,77	-2,9	3	Silver	16,81	0,4	5,5
	CAC40	5494,1	0,7	13,0	GER 10Y	0,39	-4,9	18	EUR/USD	1,1608	-0,4	10,4
	FTSE 100	7505,0	0,2	5,1	PT10Y	2,19	-6,7	-157	EUR/GBP	0,8840	-0,1	3,8
	FTSE MIB	22665,0	-0,6	17,8	IT 10Y	1,94	-2,3	12	EUR/NOK	9,4554	-0,7	4,1
	Stoxx600	393,4	0,6	8,9	SP 10	1,59	3,9	19	USD/CAD	1,2805	-0,3	-4,7
	- Banks	161,5	-1,4	20,4	iTRAXX	51,5	-2,6	-29	AUD/USD	0,7676	0,2	6,4
	Nikkei 225	22011,7	0,0	15,2	JPY 2Y	-0,15	-0,4	2	USD/JPY	113,67	-0,3	-2,7
SSEC	3368,8	-1,4	8,5	JPY 10Y	0,07	-0,2	2	GBP/USD	1,3127	-0,2	6,4	
Regional	RTS	1118,6	0,0	-2,9	RUS10	7,60	0,4	-9	USD/RUB	58,053	0,4	-5
	WIG20	2488,5	1,3	27,8	POL 10	3,43	-0,3	-5	EUR/PLN	4,2455	-0,2	-3,6
	PX50	1062,3	0,5	15,3	CZ10	1,68	2,4	260	EUR/RON	4,6027	0,2	1,5
Hungary	BUX	39667	-0,6	23,9	3M TB	0,03	0	-13	EUR/HUF	310,19	-0,1	0,4
	OTP	10930	0,3	30,1	1Y	0,05	1	-13	USD/HUF	266,98	0,2	-9,0
	MOL	3211	-1,3	24,5	3Y	0,54	0	-32	CHF/HUF	268,03	0,4	-6,9
	MTelekom	470	-0,2	-5,6	5Y	1,26	0	-51	PLN/HUF	73,190	0,3	4,5
	Richter	6605	-1,8	6,4	10Y	2,49	0	-71	GBP/HUF	351,70	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. 31	8 : 00	DE Retail sales (mom, %)	Sept.	0,5	0,8	-0,4
	11 : 00	EZ EC Economic Sentiment Index (points)	Oct.		113,3	113,0
	13 : 30	US Personal income (mom, %)	Sept.		0,4	0,2
	13 : 30	US Personal consumption (adjusted, mom, %)	Sept.		0,7	0,1
	14 : 00	DE CPI (flash, yoy, %)	Oct.		1,7	1,8
31.	2 : 00	CN NBS Manufacturing PMI (points)	Oct.		52,0	52,4
	2 : 00	CN NBS non-Manufacturing PMI (points)	Oct.		-	55,4
	5 : 00	JP Interest rate decision (%)	Oct.		-	-0,1
	7 : 30	FR GDP (preliminary, qoq, %)	Q3		0,5	0,5
	9 : 00	HU Industrial producer prices (yoy, %)	Sept.		-	2,4
	11 : 00	EZ CPI (flash, yoy, %)	Oct.		1,4	1,5
	11 : 00	EZ Core CPI (flash, yoy, %)	Oct.		1,1	1,3
	11 : 00	EZ Unemployment rate (%)	Sept.		9,0	9,1
	11 : 00	EZ GDP (preliminary, qoq, %)	Q3		0,5	0,6
	11 : 00	EZ GDP (preliminary, yoy, %)	Q3		2,4	2,3
	15 : 00	US Case-Shiller Home Price Index (yoy, %)	Aug.			5,8
	15 : 00	US Consumer confidence (point)	Oct.		120,3	119,8
	15 : 45	US Chicago PMI (points)	Oct.		60,0	65,2
11. 1.	1 : 30	JP Nikkei Manufacturing PMI (points)	Oct.		-	52,4
	13 : 15	US ADP non-farm employment (mom, '000s)	Oct.		225	135
	15 : 00	US Construction expenditure (mom, %)	Sept.		0,1	0,5
	15 : 00	US ISM Manufacturing PMI (points)	Oct.		59,0	60,8
	19 : 00	US Interest rate decision (%)	Nov.		1,0-1,25	1,0-1,25
	20 : 30	US Vehicle sales (annualized monthly, million)	Oct.		17,39	18,57
2.	9 : 00	HU Trade balance (detailed, monthly, EUR mn)	Aug.		-	440*
	9 : 00	HU Manufacturing PMI (points)	Oct.		-	59,3
	13 : 00	UK Interest rate decision (%)	Nov.		0,5	0,3
3.	10 : 00	HU Aggregated real house price index (Nat. Bank of Hungary)	Q2		-	119,4
	13 : 30	US Unemployment rate (%)	Oct.		4,2	4,2
	13 : 30	US Average earnings (yoy, %)	Oct.		2,9	2,9
	13 : 30	US Average earning (mom, %)	Oct.		0,3	0,5
	13 : 30	US Non-farm payroll (mom, '000s)	Oct.		300	-33
	15 : 00	US ISM non-Manufacturing PMI (points)	Oct.		59,0	59,8
	15 : 00	US Factory orders (mom, %)	Sept.		1,0	1,2

\*preliminary data

Source: Reuters, OTP Research

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