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Global Daily Report

Summary

- Europe advanced but word on the possible delay in corporate tax cuts sent US indices down
- With commodity prices rising, the Brent hit two-year high yesterday
- Advanced economies' government bond yields sank, the USD weakened
- US personal spending data were robust; September inflation rose in the USA.

Europe's stock markets increased on Monday, driven by the morning's release of supportive business sentiment indicators as well as the apparently successful stabilization of the Catalan situation. Madrid sought indictment against the removed leaders who had declared independence. Besides, a recent poll suggests that support for Catalan independence is shrinking.

US markets fell on the back of the announcement that President Trump was set to reduce corporate tax rate slower than had been thought. The news hit Russell 2000 particularly hard: the index of small-cap shares fell 1.2%, seeing its sharpest loss since August.

Asia's indices closed mixed yesterday. China's stock market closed in the red, after publishing pale manufacturing PMI data earlier this morning. Korea's stock exchange climbed higher, as China and South Korea normalize relations after the spat about deploying US missile shield in South Korea.

In corporate news, Merck contracted 3% after withdrawing on Friday a European application for its lungs cancer drug Keytruda. Apple surged more than 2%, benefiting from the strong demand for its new iPhone X. Amid the corporate earnings season, the sweets manufacturer Mondelez's revenue figures surpassed expectations, which sent its share price 4.7% higher.

Commodity prices increased across the board yesterday; the Brent crude went to two-year high. The annual conference at the London Metal Exchange was optimistic about the industry: the global upsurge in manufacturing boosts demand for metals, while the stock managed by LME shrank to levels unseen since 2008.

News that the cutting the corporate profit tax in America may suffer delay pushed US government securities' yields lower, and the greenback weakened 0.4% versus the euro. In Europe, the easing of the Catalan crisis helped Spanish and Italian securities yields drop.

The eurozone's October business sentiment index has beaten analysts' expectations. Counter-intuitively, inflation in Germany has dropped. In the USA, personal spending in September was pretty strong: its 1% month/month expansion surpassed forecasts. The PCE deflator also increased, from 1.4% to 1.6%. The manufacturing PMIs released in China were short of expectations. France's GDP grew steadily in the third quarter, in line with expectations. Today's most important macroeconomic data will be published in Luxembourg, where Eurostat is to release Q3 GDP growth data, as well as September unemployment and October inflation figures at noon today. In corporate news, MasterCard and Pfizer will publish their Q3 earnings reports 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	2572,8	-0,3	14,9	VIX	10,5	7,1	-25	WTI	54,15	0,5	0,8
	DOW	23348,7	-0,4	18,1	US 2Y	1,58	-2,3	38	Brent	60,90	0,8	7,2
	Nasdaq100	6227,6	0,2	28,0	US 10Y	2,37	-5,8	-6	Gold	1275,9	0,3	10,8
	DAX	13229,6	0,1	15,2	GER 2Y	-0,76	0,9	4	Silver	16,83	0,1	5,6
	CAC40	5493,6	0,0	13,0	GER 10Y	0,37	-2,0	16	EUR/USD	1,1649	0,4	10,8
	FTSE 100	7487,8	-0,2	4,8	PT10Y	2,09	-10,3	-167	EUR/GBP	0,8819	-0,2	3,5
	FTSE MIB	22752,9	0,4	18,3	IT 10Y	1,85	-9,4	3	EUR/NOK	9,4953	0,4	4,5
	Stoxx600	393,9	0,1	9,0	SP 10	1,50	-8,9	10	USD/CAD	1,2828	0,2	-4,5
	- Banks	162,1	0,4	20,8	ITRAXX	50,7	-1,5	-30	AUD/USD	0,7687	0,1	6,5
	Nikkei 225	22011,6	0,0	15,2	JPY 2Y	-0,16	-0,5	2	USD/JPY	113,17	-0,4	-3,2
SSEC	3368,8	-0,6	8,5	JPY 10Y	0,07	-0,4	2	GBP/USD	1,3207	0,6	7,1	
Regional	RTS	1124,1	0,5	-2,5	RUS10	7,59	-0,1	-9	USD/RUB	57,971	-0,1	-5
	WIG20	2517,03	1,1	29,2	POL 10	3,44	0,3	-5	EUR/PLN	4,2485	0,1	-3,5
	PX50	1064,0	0,2	15,5	CZ10	1,61	-4,2	245	EUR/RON	4,5965	-0,1	1,4
Hungary	BUX	39881	0,5	24,6	3M TB	0,03	0	-13	EUR/HUF	310,94	0,2	0,7
	OTP	10910	-0,2	29,9	1Y	0,06	1	-12	USD/HUF	266,73	-0,1	-9,1
	MOL	3245	1,1	25,8	3Y	0,55	1	-31	CHF/HUF	268,14	0,0	-6,9
	MTelekom	469	-0,2	-5,8	5Y	1,28	2	-49	PLN/HUF	73,120	-0,1	4,4
	Richter	6629	0,4	6,7	10Y	2,50	1	-70	GBP/HUF	352,20	0,1	-2

* 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.	114	113,3	113,1
	13 : 30	US Personal income (mom, %)	Sept.	0,4	0,4	0,2
	13 : 30	US Personal consumption (adjusted, mom, %)	Sept.	1	0,7	0,1
	14 : 00	DE CPI (flash, yoy, %)	Oct.	1,5	1,7	1,8
31.	2 : 00	CN NBS Manufacturing PMI (points)	Oct.	51,6	52,0	52,4
	2 : 00	CN NBS non-Manufacturing PMI (points)	Oct.	54,3	-	55,4
	5 : 00	JP Interest rate decision (%)	Oct.	-0,1	-	-0,1
	7 : 30	FR GDP (preliminary, qoq, %)	Q3	0,5	0,5	0,6
	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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