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Global Daily Report

Summary

- Europe's stock markets dropped slightly, dragged down by a number of uncertainty factors.
- US indices inched up; the vagueness about the tax reform and December's interest rate hike keep investors on the side-line.
- Oil prices slipped; important inventory data are due out in the USA later this week.
- Romania's GDP sky-rocketed 8.8% YoY in Q3. Germany's economic growth, at 2.8% YoY also topped forecasts.

Most indices in Western Europe closed down on Monday, with the FTSE easing 0.2%, the DAX losing 0.4%, and the Stoxx600 sinking 0.7%. The latter has been shrinking for the fifth straight day, ending last week 2% down. It was chiefly corporate news and the uncertainty about the outcome of Brexit talks that soured the sentiment on Monday. Électricité de France nose-dived more than 10% after issuing a profit warning for 2018. According to Morgan Stanley's assessment, Q3 corporate profits in Western Europe somewhat exceeded forecasts, but the revenue figures missed expectations owing to the fluctuation in exchange rates. Today among others the Asda retail chain and Vodafone will release their earnings figures in the UK, while the quarterly reports of Henkel, Infineon, RWE and Salzgitter may be in the focus of attention in Germany.

Reversing a two-day-long downward streak, America's stock markets closed higher yesterday, with the S&P, the Dow and the NASDAQ (both Composite and 100) all edged up 0.1%. The S&P added only 2.5 points yesterday as the fall in its energy, industry and technology sector indices was counterbalanced by the gains of the outperforming utilities, consumer staples, as well as base material producers. In its worst trading day since 2009, GE saw its stock price fall more than 7%, after revealing a comprehensive restructuring plan, and announcing to halve dividend payment. Mattel rallied 21% on reports that its rival Hasbro had submitted a takeover bid for the toymaker after market hours last Friday. Boeing's shares ascended 0.6% yesterday, benefiting from news on a 15-billion-dollar order from Emirates Airline. The price of Boeing shares have surged 70% so far this year.

Investors' focus is on Republicans' tax reform, the voting in the House of Representatives may take place this week. It will take longer until the Senate votes, as the bill needs prior approval from the Senate Finance Committee. Investors are also waiting for this week's US inflation figures, and the Fed decision makers' words, which may modify expectations of a December rate hike.

Asia's markets were seen in the red this morning. Even though China's growth figures continue to signify massive growth, they are short of both the previous month's data and market expectations.

On currency markets, the GBP's 0.6% drop was the sharpest move on Monday. According to the weekend's news reports, 40 Tory MPs have already signed the no-confidence motion against Theresa May, and only eight more signatures are needed. On Monday the pound opened 1% lower in London, and reports that a Brexit divorce bill would amount to EUR 60 billion did not help ease the pressure on the GBP. The EUR/USD practically stagnated, as did the USD/JPY.

Crude oil prices edged down on Monday, probably due to concerns about a possible growth in US shale oil production, ahead of EIA's data releases on Wednesday and Thursday. On the market of industrial metals, zinc price rose by 1.4%.

The preliminary estimates for GDP, released this morning, signify faster-than-thought growth in Germany and Romania. Germany's GDP expanded by 0.8% in Q3, beating the 0.6% forecast. Its 2.8% year/year growth topped analysts' prediction by a large margin. Romania's economy grew by 8.8% year/year, the statistical office published this morning.

A batch of GDP estimates will follow later in the day, from Hungary, the Czech Republic, Slovakia, Poland and Italy, as well as for the whole of the eurozone. The UK will release inflation data, and Germany will publish the latest ZEW economic sentiment index.

	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	2584,8	0,1	15,5	VIX	11,5	1,9	-18	WTI	56,76	0,0	5,7
	DOW	23439,7	0,1	18,6	US 2Y	1,69	2,5	49	Brent	63,16	-0,6	11,2
	Nasdaq100	6316,2	0,1	29,9	US 10Y	2,40	0,0	-3	Gold	1277,6	0,1	11,0
	DAX	13074,4	-0,4	13,9	GER 2Y	-0,74	0,7	5	Silver	17,04	0,9	7,0
	CAC40	5341,6	-0,7	9,9	GER 10Y	0,42	0,6	21	EUR/USD	1,1665	0,0	11,0
	FTSE 100	7415,2	-0,2	3,8	PT10Y	2,00	-7,8	-176	EUR/GBP	0,8894	0,6	4,4
	FTSE MIB	22437,6	-0,5	16,7	IT 10Y	1,83	-1,6	1	EUR/NOK	9,5242	0,4	4,8
	Stoxx600	386,1	-0,7	6,8	SP 10	1,54	-2,5	14	USD/CAD	1,2731	0,4	-5,2
	- Banks	158,4	-0,8	18,1	ITRAXX	51,8	-0,4	-28	AUD/USD	0,7621	-0,5	5,6
	Nikkei 225	22380,0	0,0	17,1	JPY 2Y	-0,18	-0,9	0	USD/JPY	113,61	0,1	-2,8
SSEC	3368,8	-2,3	8,5	JPY 10Y	0,05	0,3	0	GBP/USD	1,3114	-0,6	6,3	
Regional	RTS	1148,8	-0,7	-0,3	RUS10	7,71	0,8	-8	USD/RUB	59,362	0,3	-3
	WIG20	2454,6	-0,1	26,0	POL 10	3,43	1,6	-6	EUR/PLN	4,2368	0,3	-3,8
	PX50	1062,6	-0,1	15,3	CZ10	1,78	3,7	281	EUR/RON	4,6494	0,1	2,5
Hungary	BUX	39254	-0,5	22,7	3M TB	0,03	0	-13	EUR/HUF	311,58	-0,1	0,9
	OTP	10150	1,0	20,8	1Y	0,06	0	-12	USD/HUF	267,04	-0,1	-9,0
	MOL	3191	-2,4	23,7	3Y	0,64	2	-22	CHF/HUF	267,93	-0,2	-6,9
	MTelekom	476	-1,4	-4,4	5Y	1,25	2	-52	PLN/HUF	73,510	-0,3	4,9
	Richter	6921	0,0	11,4	10Y	2,33	3	-87	GBP/HUF	350,21	-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 11. 13.	9 : 00	HU Construction output (yoy, %)	Sept.	23,8	-	4,1
	9 : 00	HU Industrial production (second estimate, yoy, %)	Sept.	5,4	-	5,4*
	20 : 00	US Federal budget balance (USDbn)	Oct.	-63,2	-50,0	8,0
14.	3 : 00	CN Infrastructural spending (yoy, %)	Oct.	7,3	7,4	7,5
	3 : 00	CN Industrial production (yoy, %)	Oct.	6,2	6,3	6,6
	3 : 00	CN Retail sales (yoy, %)	Oct.	10,0	10,4	10,3
	8 : 00	DE CPI (final, yoy, %)	Oct.	1,5	1,6	1,6*
	8 : 00	DE GDP (preliminary, yoy, %)	Q3	2,8	2,2	2,2
	8 : 00	DE GDP (preliminary, qoq, %)	Q3	0,8	0,6	0,6
	8 : 00	RO GDP (preliminary, yoy, %)	Q3	8,8	5,8	6,1
	9 : 00	CZ GDP (preliminary, yoy, %)	Q3		-	4,7
	9 : 00	HU GDP (preliminary, yoy, %)	Q3		3,7	3,2
	9 : 00	HU GDP (preliminary, qoq, %)	Q3		0,7	0,9
	9 : 00	SK GDP (preliminary, yoy, %)	Q3		3,4	3,3
	10 : 00	IT GDP (preliminary, yoy, %)	Q3		1,6	1,5
	10 : 00	PL GDP (preliminary, yoy, %)	Q3		4,4	3,9
	10 : 30	UK Inflation (yoy, %)	Oct.		3,1	3,0
	10 : 30	UK Core inflation (yoy, %)	Oct.		2,8	2,7
	11 : 00	EZ Industrial production (mom, %)	Sept.		-0,5	1,4
	11 : 00	DE ZEW Economic Sentiment (points)	Nov.		19,2	17,6
	11 : 00	EZ GDP (second estimate, yoy, %)	Q3		2,5	2,5*
	11 : 00	EZ GDP (second estimate, qoq, %)	Q3		0,6	0,6*
		EZ ECB Communications Conference			-	-
15.	0 : 50	JP GDP (preliminary, qoq, %)	Q3		0,3	0,6
	14 : 30	US CPI (yoy, %)	Oct.		2,2	2,2
	14 : 30	US CPI (mom, %)	Oct.		0,1	0,5
	14 : 30	US core-CPI (yoy, %)	Oct.		1,7	1,7
	14 : 30	US core-CPI (mom, %)	Oct.		0,2	0,1
	14 : 30	US Retail sales (mom, %)	Oct.		0,1	1,6
	14 : 30	US New York Fed Manufacturing index (points)	Nov.		27,0	30,2
	16 : 00	US Business inventories (mom, %)	Sept.		0,0	0,7
16.	10 : 30	UK Retail sales (mom, %)	Oct.		0,0	-0,8
	11 : 00	EZ CPI (final, yoy, %)	Oct.		1,4	1,4*
	15 : 15	US Industrial production (mom, %)	Oct.		0,5	0,3
17.	14 : 30	US Housing starts (annualized monthly, '000s)	Oct.		1190	1127
	14 : 30	US Building permits (annualized monthly, '000s)	Oct.		1247	1225

* preliminary data

Source: Reuters, OTP Research

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