

Global Daily Report



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Summary

- America's Q3 GDP growth figure beat expectations but investment and exports' contribution missed forecasts
- Pessimism weighed on stock markets on both sides of the Atlantic on Friday
- The dollar weakened against the euro
- Angela Merkel's party underperformed at the Hessen regional elections on Sunday

The US economy grew by an annualized 3.5% in the third quarter, surpassing analysts' expectation of 3.3%. This expansion was mostly driven by consumption (+4%) and the increase in government spending. However, investment rose by only 0.8%, the worst reading in the past two years. This is in line with what the Fed Beige Book mentioned: a number of regions reported postponed investment. This is mostly the consequence of the higher costs and uncertainty caused by the trade war. But the pale investment figure may also suggest that the positive effects of the corporate tax cuts are beginning to fade out.

Pessimism ruled the world's markets on Friday. In Europe, the DAX and the FTSE 100 dropped 1% each, and the CAC40 shed 1.3%. On the other side of the Atlantic, the S&P500 lost 1.7%, and the Nasdaq100 fell 2.3%. Of the S&P500's sector indices, cyclical consumer goods tumbled 3.6%, and the real property sector contracted by 2.6%. In tech names, Amazon nose-dived 8%, Alphabet (Google's parent) declined 2%, and Facebook slid nearly 4%. Microsoft and Apple sank about 1.5% each on Friday.

The sour sentiment was also felt in Central and Eastern Europe, where Poland's WIG20 slipped 2.8%, and Budapest's BUX subsided 2%.

Ending a few days of winning streak, the US dollar weakened 0.3% versus the euro on Friday. The greenback lost 0.7% against the JPY. The Turkish lira firmed 0.8%, and the South African rand gained 0.1% against the USD.

The Brent price climbed 1% higher, while gold and silver prices upped 0.4% each.

Sunday's exit polls suggest that Germany's CDU and SPD parties both surpassed expectations at the regional election in Hesse. Support for the CDU party may have sunk to 28%, from 38% in 2013 while for SPD it fell to 20% from 30.7%. The biggest winners of the election were the Greens (surging to 20% from 11.1%) and AFD (rising to 12%, from 4.1%). Analysts say this outcome of the regional election may make it more difficult for Angela Merkel's government coalition to carry on and to stay together.

Today's important publications include US personal income and personal expenditures data.

	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	2658,7	-1,7	-0,6	VIX	24,2	-0,2	119	WTI	67,6	0,3	11,8
	DOW	24688,3	-1,2	-0,1	US 2Y	2,81	-5	92	Brent	77,62	0,9	16,1
	Nasdaq100	6852,4	-2,3	7,1	US 10Y	3,08	-6	67	Gold	1233,2	0,1	-5,3
	DAX	11200,6	-0,9	-13,3	GER 2Y	-0,67	-2	-4	Silver	14,61	0,0	-13,8
	CAC40	4967,4	-1,3	-6,5	GER 10Y	0,35	-5	-7	EUR/USD	1,14	0,2	-5,0
	FTSE 100	6939,6	-0,9	-9,7	PT10Y	1,96	-3	3	EUR/GBP	0,89	0,2	0,1
	FTSE MIB	18683,3	-0,7	-14,5	IT 10Y	3,44	-6	144	EUR/NOK	9,53	0,4	-3,3
	Stoxx600	352,3	-0,8	-9,5	SP 10	1,60	-1	3	USD/CAD	1,31	0,3	4,2
	- Banks	118,8	-1,2	-28,0	iTRAXX	77,4	2,9	71	AUD/USD	0,71	0,2	-9,1
	Nikkei 225	21149,8	0,1	-7,1	JPY 2Y	-0,12	0	2	USD/JPY	111,89	-0,5	-0,7
	SSEC	2542,1	-2,2	-23,1	JPY 10Y	0,11	0	6	GBP/USD	1,28	0,1	-5,0
Regional	RTS	1098,3	-2,0	-4,9	RUS10	8,6	0,1	14	USD/RUB	65,686	0,1	13,9
	WIG20	2082,77	-2,8	-15,4	POL 10	3,1	-3,0	-5	EUR/PLN	4,31	0,0	3,2
	PX50	1031,6	-2,0	-4,3	CZ10	2,2	-0,5	42	EUR/RON	4,658	0,0	-0,4
Hungary	BUX	35938	-1,9	-8,7	3M DKJ	0,03	1	-1	EUR/HUF	324,06	0,1	4,4
	OTP	9975	-3,1	-6,9	1Y	0,35	0	30	USD/HUF	284,16	-0,2	9,8
	MOL	2854	-1,6	-5,0	3Y	1,70	-3	115	CHF/HUF	285,11	0,1	7,6
	MTelekom	397	0,5	-13,4	5Y	3,17	-5	200	PLN/HUF	75,14	-0,1	1,2
	Richter	5170	-1,2	-23,7	10Y	3,66	-9	161	GBP/HUF	365,37	-0,1	4,6

* In the case of bond yields, the change is in basis points instead of percentage (VIX and ITRAXX not included).

Sources: Reuters, OTP Research

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2018 10. 29.	13 : 30	US Personal income (mom, %)	Sept		0,3	0,3
	13 : 30	US Personal consumption (adjusted, mom, %)	Sept		0,4	0,3
	0 : 0	EU Economic forecast of the European Commission	-		-	-
30.	7 : 30	FR GDP (preliminary, qoq, %)	Q3		0,5	0,20
	9 : 00	HU Unemployment rate (%)	Sept		-	3,7
	10 : 00	IT GDP (preliminary, qoq, %)	Q3		0,2	0,2
	11 : 00	EZ EC Economic Sentiment Index (points)	Oct		110,0	110,9
	11 : 00	EZ GDP (preliminary, yoy, %)	Q3		1,9	2,1
	11 : 00	EZ GDP (preliminary, qoq, %)	Q3		0,4	0,4
	14 : 00	DE CPI (flash, yoy, %)	Oct		2,4	2,3
	14 : 00	US Case-Shiller Home Price Index (yoy, %)	Aug		5,80	5,90
	15 : 00	US Consumer confidence (point)	Oct		137	138
31.	2 : 00	CN NBS Manufacturing PMI (points)	Oct		50,7	50,8
	2 : 00	CN NBS non-Manufacturing PMI (points)	Oct		-	54,9
	5 : 00	JP Interest rate decision (%)	Oct		-0,1	-0,1
	8 : 00	DE Retail sales (mom, %)	Sept		0,5	-0,1
	9 : 00	HU Industrial producer prices (yoy, %)	Sept		-	8,1
	9 : 00	ES GDP (preliminary, qoq, %)	Q3		0,6	0,6
	11 : 00	EZ CPI (flash, yoy, %)	Oct		2,2	2,1
	11 : 00	EZ Core CPI (flash, yoy, %)	Oct		1,0	0,9
	11 : 00	EZ Unemployment rate (%)	Sept		8,1	8,1
	11 : 00	HU MNB House Price Index	Q2		-	138,0
	13 : 15	US ADP non-farm employment (mom, '000s)	Oct		195,0	230,0
	14 : 45	US Chicago PMI (points)	Oct		60,5	60,4
11. 1.	13 : 00	CZ Interest rate decision (%)	Nov		1,5	1,5
	13 : 00	UK Interest rate decision (%)	Nov		0,8	0,8
	15 : 00	US ISM Manufacturing PMI (points)	Oct		59,6	59,8
	15 : 00	US Construction expenditure (mom, %)	Sept		0,2	0,1
	20 : 30	US Vehicle sales (annualized monthly, million)	Oct		17,3	17,4
2.	13 : 30	US Unemployment rate (%)	Oct		3,7	3,7
	13 : 30	US Average earnings (yoy, %)	Oct		2,9	2,8
	13 : 30	US Average earnings (mom, %)	Oct		0,3	0,3
	13 : 30	US Non-farm payroll (mom, '000s)	Oct		189,0	134,0
	15 : 00	US Factory orders (mom, %)	Sept		-0,8	2,3

Sources: Reuters, OTP Research

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