

# Global Daily Report



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### Summary

- Thursday's trading sentiment was rather pessimistic in the USA, while Europe closed mixed
- The Fed left interest rates unchanged
- The USA is to impose new sanctions on Russia.

In Thursday's gloomy trading in America, the S&P500 shed 0.3%, the Nasdaq slipped 0.6%, and the Dow closed flat. In individual names, Tesla's share price climbed 1.3% higher after announcing that Robyn Denholm will preside over the electric car maker's supervisory board. Monster Beverage's share price fell 3.4% on reports that Coca-Cola plans to launch two new rival products. Monster maintains that a strategic agreement between the two companies bars Coca-Cola from directly entering the energy drink manufacturer's market. Monster is prepared to go to arbitration. This issue makes it less likely for Coca-Cola to obtain majority stake in Monster.

Europe's stock indices closed mixed: the Stoxx600 nudged 0.2% higher, while the DAX slipped 0.5%. Markets were largely driven by corporate reports: Commerzbank rallied 4.1% after confirming its 2018 targets despite the contraction in its profit. Société Générale surged 2.1%, benefiting from the 32% profit growth in its Q3 earnings report.

At the end of its two-day meeting, the Fed kept interest rates at 2-2.25%, as expected. Its official statement has reiterated their earlier position that economic growth is strong, and risks were roughly balanced. If the economic background remains the same, the central bank is expected to raise interest rates in December, and three more hikes are likely next year, analysts say.

The USA is to launch new sanctions on Russia over Crimea. The measure targets private and corporate entities, whose American assets will be frozen, and who will be barred from access to the US financial system. This move affects one Russian and two Ukrainian citizens, as well as a total of nine Russian and Ukrainian businesses.

After the Fed's interest rate meeting, the US dollar appreciated 0.6% against the euro.

Government bond yields rose across the board yesterday. The 10Y US yield increased by 2.1 basis points, the German one upped 0.9 bps, and that of Italy jumped by 5.8 bps.

The United Kingdom will publish Q3 GDP and industrial output statistics for September 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	2806,8	-0,3	5,0	VIX	16,7	2,2	51	WTI	60,7	-1,6	0,4
	DOW	26191,2	0,0	6,0	US 2Y	2,97	2	108	Brent	70,65	-2,0	5,7
	Nasdaq100	7158,6	-0,6	11,9	US 10Y	3,23	2	82	Gold	1223,5	-0,2	-6,1
	DAX	11527,3	-0,4	-10,8	GER 2Y	-0,61	1	2	Silver	14,41	-1,1	-15,0
	CAC40	5131,5	-0,1	-3,4	GER 10Y	0,46	1	3	EUR/USD	1,14	-0,5	-5,3
	FTSE 100	7140,7	0,3	-7,1	PT10Y	1,94	2	1	EUR/GBP	0,87	0,0	-2,1
	FTSE MIB	19429,1	-0,6	-11,1	IT 10Y	3,40	6	140	EUR/NOK	9,52	-0,3	-3,4
	Stoxx600	367,1	0,2	-5,7	SP 10	1,61	-1	4	USD/CAD	1,32	0,3	4,6
	- Banks	127,2	0,4	-22,9	iTRAXX	68,0	1,3	51	AUD/USD	0,73	-0,2	-7,0
	Nikkei 225	22253,0	-1,0	-2,2	JPY 2Y	-0,13	0	0	USD/JPY	114,06	0,5	1,2
	SSEC	2601,8	-1,3	-21,3	JPY 10Y	0,12	0	7	GBP/USD	1,31	-0,5	-3,3
Regional	RTS	1155,3	-0,8	0,1	RUS10	8,8	1,4	16	USD/RUB	66,890	1,0	16,0
	WIG20	2262,84	-0,6	-8,1	POL 10	3,2	1,2	-2	EUR/PLN	4,28	-0,1	2,5
	PX50	1086,0	0,9	0,7	CZ10	2,1	0,2	39	EUR/RON	4,654	-0,1	-0,5
Hungary	BUX	38713	1,3	-1,7	3M DKJ	0,02	-4	-2	EUR/HUF	320,90	-0,1	3,3
	OTP	11250	2,7	4,9	1Y	0,34	0	29	USD/HUF	282,33	0,4	9,1
	MOL	3052	2,1	1,6	3Y	1,68	8	113	CHF/HUF	280,65	0,1	5,9
	MTelekom	403	-0,5	-12,0	5Y	3,12	7	195	PLN/HUF	74,91	0,1	0,8
	Richter	5435	-1,2	-19,8	10Y	3,67	9	162	GBP/HUF	368,73	0,0	5,5

\* 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 11. 5.	9 : 00	HU	Trade balance (detailed, monthly, EUR mn)	Aug	31,0	-	51,0*
	10 : 30	EZ	Sentix Investor confidence (points)	Nov	8,8	10,1	11,4
	16 : 00	US	Economic forecast of the European Commission	Oct	60,3	60,0	61,6
6.	8 : 00	DE	Industrial orders (mom, %)	Sept	0,3	-0,6	2,00
	14 : 00	RO	Interest rate decision (%)	Nov	2,5	2,5	2,5
		US	Senate elections	-	-	-	-
7.	8 : 00	DE	Industrial production (mom, %)	Sept	0,2	0,1	-0,3
	9 : 00	HU	Retail sales (first estimate, yoy, %)	Sept	5,4	-	6,8
	11 : 00	EZ	Retail sales (mom, %)	Sept	0,0	0,1	-0,2
	14 : 00	PL	Interest rate decision (%)	Nov	1,5	1,5	1,5
8.	8 : 00	DE	Export (mom, %)	Sept	-0,8	0,3	-0,1
	9 : 00	HU	Industrial production (preliminary, yoy, %)	Sept	-1	-	1,5
	9 : 00	HU	Inflation (yoy, %)	Oct	3,8	3,6	3,6
	9 : 00	HU	Core inflation (yoy, %)	Oct	2,6	-	2,4
	10 : 00	HU	International reserves (preliminary, EURbn)	Oct	24,7	-	23,7
	20 : 00	US	Interest rate decision (%)	Nov	2,0-2,25	2,0-2,25	2,0-2,25
9.	9 : 00	HU	Trade balance (preliminary, monthly, EUR mn)	Sept		-	51,0
	10 : 30	UK	Industrial production (mom, %)	Sept		-0,1	0,2
	10 : 30	UK	GDP (first estimate, yoy, %)	Q3		1,5	1,5
	11 : 00	HU	Fiscal balance (monthly, billion HUF)	Oct		-	149,8
	16 : 00	US	Michigan Consumer confidence (preliminary, points)	Nov		98,0	98,6

\*preliminary data

Sources: Reuters, OTP Research

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