

# Global Daily Report



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### Summary

- Oil prices extended their losing streak on Tuesday.
- Trade war fears diminished yesterday.
- A draft Brexit deal has been agreed.
- Most EU members will release Q3 GDP data today.

The cheering reports on the easing of trade war and on Brexit negotiations were dwarfed by the slump in crude prices. OPEC's oil market report for October, published on Tuesday, came with lower forecast on the world's appetite for oil in 2019, citing the slowing growth of global economy. The projected daily demand of 31.5 million barrels/day is 1.4 million bpd less than the current production. Brent and WTI process slid nearly 7% yesterday.

Trade war negotiations between China and the USA are going on at various levels, Larry Kudlow, the White House's top economic advisor told the CNBC. But the cheering information failed to counterbalance the effect of oil prices' slump. Accordingly, energy-related companies were the losers of the day on Wall Street. The Nasdaq100 was the only major US index to inch up. The 10Y US yield dropped four basis points yesterday.

In Europe, Brexit made headlines as Brexit officials had agreed on the draft text of a Brexit deal, and Theresa May summoned a cabinet meeting to discuss the plan today. The cheering news sent the pound soaring, to its strongest against the euro since April, but it soon ran out of steam as a number of economists (including those at Capital Economics and Credit Agricole) warned against over-optimism, reminding that this is just a technical, rather than political, settlement. At the end of the day, the Footsie closed with negligible gain, lagging behind most stock indices of Europe, and the pound preserved only 0.7% from its earlier advance versus the euro (the EUR/GBP closed at 0.87). The yield on the 10Y UK government bond rose by seven basis points.

The IMF's report on Italy's economy criticized the country's current fiscal policy. Meanwhile, the deadline for submitting a revised budget to the European Commission expired on Tuesday but Italy is unwilling to amend the deficit target. This will enable the European Commission to launch the excessive deficit procedure, implying potential financial penalties for a country that is already struggling with massive debts.

Emerging market currencies largely appreciated against the US dollar, but they failed to keep pace with the euro. The peso barely reacted to news that the S&P cut Argentina's debt rating.

Most countries across Europe release Q3 GDP figures today. This will reveal which countries contributed to the deceleration of the eurozone's GDP. On the other side of the Atlantic, the US consumer price index for October is due out; the year/year core price index is expected to have remained flat, at the September level of 2.2%.

	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	2722,2	-0,1	1,8	VIX	20,0	-2,1	81	WTI	55,7	-7,0	-7,8
	DOW	25286,5	-0,4	2,3	US 2Y	2,90	-4	100	Brent	65,47	-6,6	-2,1
	Nasdaq100	6830,9	0,0	6,8	US 10Y	3,15	-4	73	Gold	1202,0	0,1	-7,7
	DAX	11472,2	1,3	-11,2	GER 2Y	-0,63	1	0	Silver	14,00	0,3	-17,4
	CAC40	5101,9	0,8	-4,0	GER 10Y	0,41	2	-2	EUR/USD	1,13	0,6	-5,9
	FTSE 100	7053,8	0,0	-8,2	PT10Y	1,95	-1	2	EUR/GBP	0,87	-0,3	-2,0
	FTSE MIB	19226,5	0,9	-12,0	IT 10Y	3,45	0	145	EUR/NOK	9,59	0,4	-2,6
	Stoxx600	364,4	0,7	-6,4	SP 10	1,62	0	5	USD/CAD	1,32	-0,1	5,2
	- Banks	124,3	1,8	-24,6	iTRAXX	70,7	-1,4	57	AUD/USD	0,72	0,6	-7,5
	Nikkei 225	21846,5	0,2	-4,0	JPY 2Y	-0,14	0	0	USD/JPY	113,80	0,0	1,0
SSEC	2632,2	-0,9	-20,4	JPY 10Y	0,11	0	6	GBP/USD	1,30	1,0	-4,0	
Regional	RTS	1100,1	-1,3	-4,7	RUS10	9,0	0,4	19	USD/RUB	68,052	0,3	18,0
	WIG20	2217,97	-0,6	-9,9	POL 10	3,2	-0,4	-2	EUR/PLN	4,29	-0,3	2,8
	PX50	1078,8	-0,3	0,1	CZ10	2,1	0,8	39	EUR/RON	4,656	0,0	-0,5
Hungary	BUX	38253	0,4	-2,9	3M DKJ	-0,02	7	-6	EUR/HUF	322,72	0,2	3,9
	OTP	11300	2,7	5,4	1Y	0,34	0	29	USD/HUF	285,78	-0,4	10,4
	MOL	2978	-1,2	-0,9	3Y	1,69	-3	114	CHF/HUF	283,53	-0,1	7,0
	MTelekom	405	0,7	-11,6	5Y	3,19	3	202	PLN/HUF	75,13	0,4	1,1
	Richter	5260	-1,7	-22,4	10Y	3,73	3	168	GBP/HUF	370,50	0,5	6,1

\* 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. 12.	9 : 00	HU Construction output (yoy, %)	Sept	25,8	-	24,4
13.	8 : 00	DE CPI (final, yoy, %)	Oct	2,5	2,5	2,5*
	9 : 00	HU Economic forecast of the European Commission	Sept	0,6	-	-0,6*
	11 : 00	DE ZEW Economic Sentiment (points)	Nov	-24,1	-25,0	-24,70
	20 : 00	US Federal budget balance (USDbn)	Oct	-100,0	-100,0	119,0
	20 : 00	DE Angela Merkel speaks at Süddeutsche Zeitung Economic Summit	-	-	-	-
14.	0 : 50	JP GDP (preliminary, qoq, %)	Q3	-0,3	-0,3	0,7
	3 : 00	CN Industrial production (yoy, %)	Oct	5,9	5,7	5,80
	3 : 00	CN Retail sales (yoy, %)	Oct	8,6	9,1	9,2
	3 : 00	CN Infrastructural spending (yoy, %)	Oct	5,7	5,5	5,40
	8 : 00	DE GDP (preliminary, yoy, %)	Q3	1,1	1,3	2,3
	8 : 00	DE GDP (preliminary, qoq, %)	Q3	-0,2	-0,1	0,50
	8 : 00	RO GDP (preliminary, yoy, %)	Q3	4,3	3,3	4,1
	9 : 00	CZ GDP (preliminary, yoy, %)	Q3		2,5	2,40
	9 : 00	CZ GDP (preliminary, qoq, %)	Q3		0,7	0,7
	9 : 00	HU GDP (preliminary, yoy, %)	Q3		4,3	4,80
	9 : 00	HU GDP (preliminary, qoq, %)	Q3		-	1,0
	9 : 00	SK GDP (preliminary, yoy, %)	Q3		3,9	4,20
	10 : 00	PL GDP (preliminary, yoy, %)	Q3		4,7	5,1
	10 : 30	UK Inflation (yoy, %)	Oct		2,5	2,40
	10 : 30	UK Core inflation (yoy, %)	Oct		2,0	1,9
	11 : 00	EZ Industrial production (mom, %)	Sept		-0,3	1,00
	11 : 00	EZ GDP (preliminary, yoy, %)	Q3		1,7	1,7*
	11 : 00	EZ GDP (preliminary, qoq, %)	Q3		0,2	0,2*
	14 : 30	US CPI (yoy, %)	Oct		2,5	2,3
	14 : 30	US CPI (mom, %)	Oct		0,3	0,10
	14 : 30	US core-CPI (yoy, %)	Oct		2,2	2,2
	14 : 30	US core-CPI (mom, %)	Oct		0,2	0,10
15.	0 : 5	US Jerome Powell speech	-		-	-
	10 : 30	UK Retail sales (mom, %)	Oct		0,2	-0,80
	14 : 30	US Retail sales (mom, %)	Oct		0,5	0,1
	14 : 30	US New York Fed Manufacturing index (points)	Nov		20,0	21,10
	16 : 00	US Business inventories (mom, %)	Sept		0,3	0,5
16.	11 : 00	EZ CPI (final, yoy, %)	Oct		2,2	2,2*
	15 : 15	US Industrial production (mom, %)	Oct		0,2	0,3

\* preliminary data

Sources: Reuters, OTP Research

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