

Treasury Sales Team

Headquarter Treasury Sales

Alexandru Tibuleac
0372 31 85 85
alexandru.tibuleac@otpbank.ro

Alina Gheorghita
0372 31 85 84
alina.gheorghita@otpbank.ro

Corina Bejan
021 308 1560
corina.bejan@otpbank.ro

Andreea Nica
021 307 58 27
andreea.nica@otpbank.ro

Regional Treasury Sales

Szilamer Kozma - Cluj
0755 000 400
szilamer.kozma@otpbank.ro

Tudor Zaman - Bucuresti
0372 31 85 86
tudor.zaman@otpbank.ro

Laura Sirbu - Bucuresti
0372 31 85 83
laura.sirbu@otpbank.ro

Alexandru Sabin - Arad
0730 577 959
alexandru.sabin@otpbank.ro



Daily Report – Global Markets



STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 216	↑ 0,43	↑ 0,77
S&P500	2 033	↑ 0,46	↑ 0,90
Nasdaq100	4 439	↑ 0,46	↑ 1,57
Russell2000	1 162	↓ -0,04	↓ -0,18
Stoxx600	363	↑ 0,59	↑ 0,09
DAX	10 104	↑ 0,39	↑ 0,08
FTSE 100	6 378	↑ 0,62	↓ -0,59
CAC40	4 703	↑ 0,59	↑ 0,03
ATX	2 386	↑ 0,91	↑ 1,04
IBEX35	10 232	↑ 1,28	↓ -0,76
Nikkei 225	18 131	↓ -0,88	↓ -1,67
Hang Seng	22 964	↓ -0,45	↑ 1,02
SSEC	3 387	↓ -0,14	↑ 3,01
SENSEX	27 270	↑ 0,20	↓ -0,60
RTS	881	↑ 0,57	↓ -0,54
Bovespa	47 236	↑ 0,16	↓ -4,26

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1346	↓ -0,32	↑ 0,16
EUR/CHF	1,0825	↑ 0,03	↓ -0,77
USD/GBP	1,5434	↓ -0,12	↑ 0,59
USD/JPY	119,24	↓ -0,15	↓ -0,65
AUD/USD	0,7275	↑ 0,25	↓ -1,14
USD/CAD	1,2925	↑ 0,13	↓ -0,53
USD/RUB	61,13	↑ 0,12	↓ -0,84

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	15,1	↓ -1,0	↓ -2,0
CDS 5Y PIIS	15	↓ -1,4	↑ 0,5
CDS 5Y Italy	96	↓ -2,2	↓ -2,4
CDS 5Y Belg.	103	↑ 0,2	↓ -0,1
iTraxx 5Y EU	29,0	↓ -1,2	↑ 0,4
US TED Spread	79,4	⇒ 0,0	↓ -0,4

Source: Reuters, OTP Research

Summary

- Investor sentiment was positive on both sides of the Atlantic on Friday.
- Asia's indices closed lower on the first day of the week.
- Beating expectations, China's GDP grew by 6.9% in Q3 2015, but it is a slowest growth rate since 2009.

Europe's key stock markets saw confident investors on Friday: the DAX gained 0.4%, while the Footsie and the CAC40 upped 0.6% each. The optimism may have been driven by speculation that the ECB further expands its asset purchase programme and that the Fed will not raise interest rates this year. The health care, banking and finance, and the energy sectors fuelled growth on Friday. France's retail chain, Carrefour excelled on Friday, when its stocks rallied 6.6% on news that its sales accelerated in the third quarter. But Hugo Boss' share price shrank 11% as the management announced to cut its sales and profit forecasts for 2015 owing to the deceleration on its Chinese and American markets in Q3. Nestle, the world's largest food company reduced its 2015 full-year expectations, thus its share price eased almost 2%. Provident Financial Plc surged 5.4%, benefiting from a strong quarterly report.

America's indices spent most of Friday's session near Thursday's close before buyers showed up at the end of trading, allowing the key indices climb higher. The Dow added 0.4%, the S&P and the NASDAQ100 advanced 0.5% each. Only the Russell2000 index of small and mid cap businesses failed to swing into the positive territory. The real property sector's 2% increase was the most robust gain among the S&P's sector indices, while health care and consumer staples upped near 1%, and only the industrial component went down (-0.5%). GE published its Q3 report on Friday. Topping analysts' expectations, its earnings per share jumped to 35 cents from 25 owing to the restructuring plan. Its revenue slightly contracted but the profit from the remaining activities stagnated. The substantial fall in new orders (-26% in Q3 and -9% in the first three quarters) bodes ill for the future. Yet GE stocks rallied 3.4% on Friday. Today IBM and Morgan Stanley will publish their earnings figures for Q3.

In Monday's trading Asia's key indices hit nearly two-month highs before the Chinese GDP data reversed them. Even though Asia's largest economy expanded in Q3 more robustly than had been thought, the quarter-on-quarter growth dynamics is at its lowest since 2009. Japan's stock markets dipped almost 1%, while China's benchmarks performed mixed.

GOV'T BOND MARKET					
	Yield (%)	Daily chg (bp)	Weekly chg (bp)		
US 2Y	0,61	→	0	↓	-3
US 10Y	2,02	↓	0	↓	-8
JP 2Y	0,01	→	0	↑	0
JP 10Y	0,32	↑	0	↓	-1
GER 2Y	-0,25	↑	0	↓	0
GER 10Y	0,56	↑	1	↓	-4

CENTRAL BANKS' RATES					
	Rate (%)	6M Consensus	1Y Consensus		
Fed Funds	0,25	↑	0,5	↑	1,00
ECB Rate	0,05	→	0,05	→	0,05
BOE Rate	0,50	→	0,50	↑	1,00
BOJ Rate	0,10	→	0,10	→	0,10
SNB Target	-0,75	→	-0,75	→	-0,75

MONEY MARKET					
	Rate (%)	Daily chg (bp)	Weekly chg (bp)		
US 3M Libor	0,32	↓	0	↓	0
US 2Y Swap	0,70	↓	-1	↓	-4
US 5Y Swap	1,36	↑	0	↓	-7
EUR 3M Euribor	-0,05	↑	0	↓	0
EUR 2Y Swap	0,03	↑	1	↓	-1
EUR 5Y Swap	0,31	↓	-2	↓	-3
GB 3M Libor	0,58	→	0	↓	0
GB 2Y Swap	0,92	↑	1	→	0
GB 5Y Swap	1,37	↓	-1	↓	-10
JP 3M Libor	0,08	↓	-1	↓	0
JP 2Y Swap	0,09	↑	0	→	0
JP 5Y Swap	0,18	↓	-1	↑	0
CHF 3M Libor	-0,72	→	0	↑	0
CHF 2Y Swap	-0,73	↑	1	↓	-4
CHF 5Y Swap	-0,47	↓	-2	↓	-5

COMMODITIES					
	Close	Daily chg. (%)	Weekly chg. (%)		
Oil Brent	50,2	↓ -0,61	↑ 0,58		
Gold	1 173	↓ -0,32	↑ 0,82		

Source: Reuters, OTP Research

The September reading of US industrial production was published on Friday. The data signify that industrial output has been shrinking for the second consecutive month in the USA. Manufacturing, which constitutes about three quarters of industrial production, dropped 0.1% in September, following the 0.4% decline in August. Capacity usage fell to 77.5% in September, from 77.8% in the previous month.

The University of Michigan's consumer sentiment index signifies improvement, according to the preliminary data for October. The overall consumer sentiment index grew to 92.1, up from 87.2 in September, wrong-footing analysts who had expected a smaller improvement (89 points). The Current Economic Conditions sub-index rose from 101.2 to 106.7. The sub-index of consumer expectations jumped from 78.2 in August to 82.7 in September.

Even though the 6.9% expansion of the Chinese economy in Q3 has surpassed expectations, this is the slowest growth rate since 2009. If China's leaders mean to attain the 7% annual growth target, they may need to impose stimulus measures in the fourth quarter. But the structure of the GDP figure offers a reason for optimism: instead of the unsustainably fast-growing investment, it was consumption dynamics that increased over the past quarter.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	US	Sep	Industrial output (mom, %)	-0,2	-0,2	-0,4
	US	Oct	University of Michigan Sentiment (preliminary, point)	92,1	89,0	87,2
Monday	CN	Q3	GDP (qoq, %)	1,8	1,7	1,7
	CN	Q3	GDP (yoy, %)	6,9	6,8	7,0
	CN	Sep	Industrial output (yoy, %)	5,7	6,0	6,1
	CN	Sep	Retail sales (yoy, %)	10,9	10,8	10,8

Source: Reuters, OTP Research

Chief Economist
Gergely Tardos
tardosg@otpbank.hu
+36 1 374 7273

Fundamental Analyst
Piroska Beáta Balogh
szabopb@otpbank.hu
+36 1 374 7276

Disclaimer

OTP Bank Plc. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This material is only for information purposes and it is not intended as an investment advice, an offer or solicitation for the purchase or sale of any financial instrument, and it does not constitute legal, tax or accounting advice.

Information herein reflects the market situation at the time of writing. It provides only momentary information and may change as market conditions and circumstances develop. Additional information may be available on request. Although the information in this document has been prepared in good faith from sources which OTP Bank believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. Opinions and estimates constitute our judgment and are subject to change without notice. OTP Bank may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments is made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. Any concrete individual decision or investment made based on this publication is the sole risk of the Client and OTP Bank shall not be held responsible for the success of the investment decisions or for attaining the Client's target.

Figures described herein refer to the past and past performance is not a reliable indicator of future results.

OTP Bank Plc. (registered seat: Nádor utca 16., Budapest H-1051, Hungary; Supervisory authority: Hungarian Financial Supervisory Authority (PSZÁF, Pénzügyi Szervezetek Állami Felügyelete – H-1013 Budapest, Krisztina krt. 39.sz.) PSZÁF licence numbers: III/41.003-22/2002 and E-III/456/2008. For more information, please refer to: <https://www.otpbank.hu/portal/hu/Megtakaritas/Ertekpapir/MIFID>). All rights reserved. This publication is exclusively owned by OTP Bank Plc., no part of this material can be reproduced, re-used or disseminated without the prior written consent of OTP Bank Plc.

If you received this document from OTP Bank Plc, then it was sent to you with your previous consent. You may withdraw this permission by sending an e-mail to research@otpbank.hu or writing a letter addressed to "Research Center" Hungary 1051, Budapest Nádor utca. 21. Please refer to your name and e-mail address in both cases.

Disclaimer for OTP Bank Romania S.A. customers

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centred on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to csaba.balint@otpbank.ro or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.