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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 758	↑ 0,16	↓ -0,89
S&P500	2 082	↑ 0,15	↓ -1,33
Nasdaq100	4 642	↓ -0,30	↓ -1,64
Russell2000	1 188	↑ 0,27	↓ -0,23
Stoxx600	376	↑ 0,10	↓ -0,55
DAX	10 833	↑ 0,16	↓ -1,08
FTSE 100	6 275	↓ -0,32	↓ -1,70
CAC40	4 912	↑ 0,02	↓ -0,49
ATX	2 477	↓ 0,00	↑ 1,35
IBEX35	10 337	↑ 0,11	↓ -1,23
Nikkei 225	19 691	↑ 0,10	↑ 4,04
Hang Seng	22 393	↓ -0,04	↓ -2,86
SSEC	3 646	↑ 0,16	↑ 5,40
SENSEX	25 743	↓ -1,45	↓ -0,60
RTS	854	↓ -0,14	↓ -3,64
Bovespa	46 207	↑ 0,03	↓ -3,84

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0723	↓ -0,24	↓ -1,15
EUR/CHF	1,0790	↑ 0,03	⇒ 0,00
USD/GBP	1,5116	↑ 0,01	↓ -1,73
USD/JPY	123,02	↓ -0,08	↑ 1,23
AUD/USD	0,7054	↑ 0,36	↓ -1,29
USD/CAD	1,3261	↓ -0,10	↑ 0,88
USD/RUB	64,60	↑ 0,31	↑ 2,31

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	15,3	↓ -1,2	↑ 0,8
CDS 5Y PIIS	15	↑ 6,0	↑ 3,8
CDS 5Y Italy	92	↓ -0,5	↓ -3,0
CDS 5Y Belg.	88	↓ 0,0	↓ -1,6
iTraxx 5Y EU	25,9	↑ 1,4	↑ 1,8
US TED Spread	72,0	⇒ 0,0	↓ -4,6

Source: Reuters, OTP Research

Summary

- Tuesday's trading was unenthusiastic in Europe and America.
- The telecom sector excelled in Europe; real estate and consumer discretionary stocks were the stars in the USA. E.On posted the biggest loss in its history in the third quarter.
- Fresh statistics from China were broadly in line with expectations but industrial production has lost steam.

Trading on advanced economies' equity markets remained rather subdued; last Friday's release of much-better-than-expected job market data re-intensified the negative feelings about the apparently imminent interest rate hikes. Europe's stock markets performed mixed, the Stoxx600 index inched up 0.1%. Commodity producers were hit particularly hard: the Anglo American mining company lost 4.3% of its value in yesterday's trading. The telecommunications sector was nearly the only one to attract investors, after Vodafone Group's Q3 profit figures had surpassed expectations. The company posted a surprise growth in revenue and EBITDA, and it also lifted its annual EBITDA forecast to GBP 12 billion, up from an earlier estimate of GBP 11.7 billion. These reassuring figures triggered massive buys, helping the British telecommunications company close more than 4% higher. But this was not enough to raise the FTSE, which shed 0.3% yesterday. This morning's trading started on a strong note, the macrodata released in China reflect growth that is in line with expectations. The quarterly reports of Britain's Sainsbury retail chain, Germany's Deutsche Post, E.On and Henkel were published this morning. The German post's figures disappointed as various fines slashed its EBIT by 71%, and its revenue growth missed expectations. E.On's figures are also discouraging: the energy giant posted the biggest loss ever (EUR 6.1 billion) in the third quarter. Its profit without one-offs was also short of forecasts. Henkel's revenue overshot expectations, and the management raised its 2015 EPS forecast.

The fears surrounding the US interest rate hike appear to be persistent – in the resulting gloom, the Dow and the S&P eked out only small gains (even though the latter worked off a 0.4% loss), while the NASDAQ100 shed 0.3%. Apple fell 3.2%, and semiconductors also weakened after an analysis by Credit Suisse suggested that the subdued demand for iPhone6s could have forced Apple to cut its spare parts orders by 10%. Apart from the tech sector, commodity producers were also ailing, as the weaker-than-expected inflation reading from China dragged down the price of copper too, which sent Freeport-McMoRan's stock price 6.3% lower. The real estate and consumer discretionary sectors were the stars of the S&P, followed by utilities. In the construction sector, the share price of D.R. Horton skyrocketed more than 8%; Pulte Group and Lennart also grew by 3% each. The health care sector was in good shape too. Gap's quarterly results undershot forecasts but that did not prevent other retailers from making small gains. Macy's report is due out today.

The Far East's stock markets closed mixed this morning, the Shanghai index practically stagnated, while Hong Kong could close higher. Japan's stock indices also upped.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,89	↓ -1	↑ 13
US 10Y	2,35	↑ 2	↑ 18
JP 2Y	0,00	↓ 0	↓ 0
JP 10Y	0,32	↓ -3	↓ 0
GER 2Y	-0,33	↓ -5	↓ -2
GER 10Y	0,66	↓ -3	↑ 10

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	0,00	↑ 1	↑ 2
US 2Y Swap	0,93	↓ -1	↑ 4
US 5Y Swap	1,64	↓ -1	↑ 10
EUR 3M Euribor	-0,08	↓ 0	↓ -1
EUR 2Y Swap	-0,08	↓ -1	↓ -5
EUR 5Y Swap	0,25	↓ -1	↓ -3
GB 3M Libor	0,00	→ 0	↓ 0
GB 2Y Swap	1,02	↓ -2	↓ 0
GB 5Y Swap	1,55	↓ -3	↓ -1
JP 3M Libor	0,00	↓ -1	↓ -1
JP 2Y Swap	0,09	↓ 0	↓ 0
JP 5Y Swap	0,16	↓ 0	↓ -2
CHF 3M Libor	0,00	↓ -1	↓ -3
CHF 2Y Swap	-0,93	↓ -3	↓ -13
CHF 5Y Swap	-0,67	↓ -2	↓ -13

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	47,1	↓ -0,67	↓ -3,01
Gold	1 092	↑ 0,24	↓ -1,35

Source: Reuters, OTP Research

The USA published foreign trade price indices yesterday. As expected, export prices were 0.2% down in October from the previous month, while import prices fell more than had been thought (-0.5%).

The statistics published in China this morning are not bad, but industrial production slightly decelerated, as opposed to the expected growth. On the other hand, retail sales were somewhat better in October, expanding by 11% year on year. Urban investments have not lost impetus; growing by more than 10% year to date.

The UK will publish unemployment data today.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	CN	Oct	CPI (yoy, %)	1,3	1,5	1,6
	US	Oct	Export prices (mom, %)	-0,2	-0,2	-0,7
	US	Oct	Import prices (mom, %)	-0,5	-0,1	-0,1
Wednesday	CN	Oct	Industrial output (yoy, %)	5,6	5,8	5,7
	CN	Oct	Urban investments (YtD, yoy, %)	10,2	10,2	10,3
	CN	Oct	Retail sales (yoy, %)	11,0	10,9	10,9
	GB	Sep	ILO Unemployment rate (%)		5,4	5,4

Source: Reuters, OTP Research

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