

## Treasury Sales Team

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## Daily Report – Global Markets

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 168	↓ -0,47	↓ -0,33
S&P500	2 150	↓ -0,50	↓ -0,44
Nasdaq100	4 859	↓ -0,15	↓ -0,15
Russell2000	1 240	↓ -0,48	↓ -1,27
Stoxx600	346	↑ 0,84	↑ 1,74
DAX	10 620	↑ 1,03	↑ 2,49
FTSE 100	7 074	↑ 1,30	↑ 3,92
CAC40	4 503	↑ 1,11	↑ 2,37
ATX	2 418	↑ 0,50	↑ 1,94
IBEX35	8 769	↑ 0,20	↑ 0,93
Nikkei 225	16 819	↑ 0,50	↑ 4,05
Hang Seng	22 129	↑ 0,38	↑ 0,67
SSEC	3 005	n.a.	n.a.
SENSEX	28 284	↓ -0,18	↓ -0,60
RTS	1 001	↓ -0,38	↑ 2,84
Bovespa	59 339	↓ -0,21	↑ 1,64

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1202	↓ -0,06	↑ 0,03
EUR/CHF	1,0969	↑ 0,52	↑ 0,71
GBP/USD	1,2726	↓ -0,90	↓ -2,24
USD/JPY	102,84	↓ -0,04	↑ 2,18
AUD/USD	0,7622	↑ 0,04	↓ -0,88
USD/CAD	1,3191	→ 0,00	↑ 0,86
USD/RUB	62,53	↓ -0,39	↓ -0,81

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,6	↑ 0,1	↑ 0,5
CDS 5Y PIIS	14	↓ -0,6	↑ 5,9
CDS 5Y Italy	128	↑ 0,0	↑ 13,0
CDS 5Y Belg.	132	↓ -0,4	↓ -1,1
iTraxx 5Y EU	20,8	↓ -0,7	↓ -0,4
US TED Spread	73,4	→ 0,0	↓ -5,5

Source: Reuters, OTP Research

**Summary**

- Sentiment was positive in Europe but negative in the U.S.
- The pound fell on Brexit news; the weaker currency boosted FTSE
- U.S. Treasury yields advanced
- Oil rose after weak U.S. inventory data on Wednesday morning
- IMF expects tepid g growth and warns about risks of protectionism

Sentiment was positive in Europe on Tuesday. Market optimism was supported by the recent batch of macro data which pointed to sustained economic growth in Europe. In addition, FTSE was boosted by the weakening of the pound. Most sectors managed to rise, the auto industry gained the most among Stoxx600 sectors.

U.S. stocks were weaker, markets were digesting the new global forecast of the IMF – the international organization lowered its growth expectations for the U.S. Asian markets managed to gain by Wednesday morning, though.

The pound fell to another low against the dollar as the probability of a 'hard Brexit' increased – this scenario would exclude the U.K. from the Single Market of the EU. British PM Theresa May was reported to have said that the financial sector should not expect special favours during Brexit negotiations.

U.S. Treasury yields rose, 10-year yields surged by 6 points in a day. The 10-year Bund also increased.

Oil fell until Tuesday evening, but it rose near 51.4 USD/bl by Wednesday morning, as weekly data showed a reduction of U.S. inventories. Hurricane Matthew, which hit Haiti yesterday, also could have contributed to the price increase. Meanwhile, news have arrived about rising oil production: Iran is reported to have increased its output. Its current export level of 2.2 million bl/day may rise to 2.35 million in the coming months.

Gold took a hit, falling by over 3% on Tuesday.

**GOV'T BOND MARKET**

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,83	↑	2	↑	7
US 10Y	1,69	↑	6	↑	13
JP 2Y	-0,27	↑	0	↑	1
JP 10Y	-0,06	↓	0	↑	2
GER 2Y	-0,69	↓	0	↓	0
GER 10Y	-0,09	↑	2	↑	2

**CENTRAL BANKS' RATES**

	Rate (%)		6M Consensus		1Y Consensus
Fed Funds	0,5	↑	0,75	↑	1,25
ECB Rate	0,00	→	0,00	→	0,00
BOE Rate	0,25	→	0,25	→	0,25
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	0,86	↑	0	↑	0
US 2Y Swap	1,02	↓	-2	↑	5
US 5Y Swap	1,21	↓	-1	↑	6
EUR 3M Euribor	-0,30	→	0	→	0
EUR 2Y Swap	-0,22	→	0	↑	3
EUR 5Y Swap	-0,13	↑	1	↑	4
GB 3M Libor	0,38	→	0	↑	1
GB 2Y Swap	0,44	↑	1	↑	1
GB 5Y Swap	0,51	↑	2	↑	5
JP 3M Libor	-0,02	↑	0	↓	0
JP 2Y Swap	-0,09	↑	0	↑	1
JP 5Y Swap	-0,09	↓	0	↑	2
CHF 3M Libor	-0,74	↑	0	↓	0
CHF 2Y Swap	-0,68	↑	2	↑	2
CHF 5Y Swap	-0,58	↑	1	↑	3

**COMMODITIES**

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	50,9	↓	-0,04	↑	5,40
Gold	1 268	↓	-3,33	↓	-3,69

Source: Reuters, OTP Research

IMF published its new World Economic Outlook on Tuesday. The organization expects tepid growth in the world economy, which is surrounded by downside risks. In particular, they note that the rise of populism may lead to increasing protectionism, which could harm world trade and economic growth.

Wednesday will bring European and U.S. business cycle indicators, as well as a rate decision by the National Bank of Poland – analysts expect that rates will be kept unchanged. Futures showed that European stock markets may begin the day in the red. As the oil price rises, the need for monetary stimulus by ECB may diminish.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Tuesday	JP	Sep	Nikkei Manufacturing PMI (points)	50,4	50,3	49,5
	UK	Sep	Markit construction PMI (points)	52,3	49,0	49,2
Wednesday	EZ	Aug	Retail sales (mom, %)		-0,3	1,1
	PL	Oct	Rate decision (%)		-	1,5
	US	Sep	ADP nonfarm employment (mom, thousand)		165,0	177,0
	US	Sep	Factory orders (mom, %)		-0,4	1,9
	US	Sep	ISM non-manufacturing PMI (point)		53,0	51,4

Source: Reuters, OTP Research

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