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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 169	↓ -0,30	↑ 0,04
S&P500	2 143	↓ -0,38	↑ 0,17
Nasdaq100	4 891	↓ -0,38	↑ 1,07
Russell2000	1 216	↓ -0,84	↓ -0,53
Stoxx600	343	↓ -0,35	↑ 0,17
DAX	10 757	↓ -0,04	↑ 1,18
FTSE 100	7 018	↑ 0,45	↑ 0,25
CAC40	4 541	↓ -0,26	↑ 0,71
ATX	2 508	↑ 0,53	↑ 2,51
IBEX35	9 140	↓ -0,83	↑ 3,10
Nikkei 225	17 378	↑ 0,07	↑ 4,24
Hang Seng	23 398	↓ -0,71	↑ 0,40
SSEC	3 117	↓ -0,48	↑ 1,04
SENSEX	27 878	↓ -0,76	↓ -0,76
RTS	1 002	↑ 0,85	↑ 1,55
Bovespa	63 866	↓ -0,30	↑ 0,13

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0886	↑ 0,06	↓ -0,78
EUR/CHF	1,0824	↑ 0,15	↓ -0,18
GBP/USD	1,2186	↓ -0,40	↓ -0,77
USD/JPY	104,28	↑ 0,06	↑ 0,81
AUD/USD	0,7691	↑ 0,60	↓ -0,39
USD/CAD	1,3354	↑ 0,04	↑ 1,84
USD/RUB	62,23	↑ 0,23	↑ 0,08

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,5	↑ 0,4	↓ -1,8
CDS 5Y PIIS	13	↑ 0,0	↓ -3,6
CDS 5Y Italy	114	↑ 2,5	↓ -1,9
CDS 5Y Belg.	121	↑ 0,0	↓ -0,1
iTraxx 5Y EU	19,7	↓ -1,0	↓ -3,3
US TED Spread	70,2	⇒ 0,0	↑ 0,9

Source: Reuters, OTP Research

Summary

- By the end of Tuesday the sentiment soured on most stock markets of Western Europe.
- US markets were under selling pressure.
- A final decision has been made about the compensation (USD 14.7 billion) Volkswagen must pay in the USA because of the emission scandal.
- Crude oil prices fell more than 2%.

The sentiment soured on Tuesday afternoon on Western European stock markets, which slipped into the red by the end of the day. The only exception was Britain's FTSE100, which greatly benefited from the gains of Anglo American (+4.6%) and Rio Tinto (+4.5%), who climbed higher together with industrial metal prices. Italy's FTSE MIB dropped 0.4%, largely owing to the 15% plunge of Banca Monte dei Paschi di Siena, which needs EUR 5 billion capital increase, according to CEO Marco Morelli. The Stoxx Europe 600 (-0.4%) was largely dragged down by Novartis (-2.8%), a cancer treatment manufacturer, whose profits have been contracting for the seventh quarter in a row.

The eurozone's finance ministers approved the disbursement of a new tranche from the rescue package to Greece (EUR 2.8 billion), as the country had delivered the required reforms.

Sellers gained the upper hand on the Wall Street too, with Russell2000 seeing the sharpest fall (0.8%). Neither corporate earnings reports nor the weaker-than-expected consumer confidence index did good to investors' appetite to buy. Whirlpool shrank 11% as its revenue and profit missed expectations in the third quarter. Procter and Gamble closed 3.4% higher, after publishing better-than-expected figures in its earnings report. Apple's much-awaited report mirrored weak performance in Q3, as expected, because the sale of the new iPhones (7S, 7SPlus) did not start before Q4. Volkswagen will need to pay USD 14.7 billion to settle the emission scandal in the USA. The buy-back of polluting vehicles will start in November, the company said.

Asia's markets closed mixed this morning. Japan's Nikkei225 upped 0.2%, while the Shanghai Composite and the Hang Seng stood in the red before the close.

Currency markets lacked big swings yesterday. The EUR edged 0.1% higher against the USD and gained 0.4% from the GBP. The USD/JPY closed flat yesterday.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,86	↑	2	↑	5
US 10Y	1,75	↓	-1	↑	1
JP 2Y	-0,25	↓	-1	↑	2
JP 10Y	-0,06	↓	0	↓	-1
GER 2Y	-0,65	↓	0	↑	0
GER 10Y	0,03	↑	2	↓	-3

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	0,88	↑	0	↑	1
US 2Y Swap	1,05	↓	-2	↑	3
US 5Y Swap	1,26	↓	0	↑	5
EUR 3M Euribor	-0,31	↓	0	⇒	0
EUR 2Y Swap	-0,20	⇒	0	↑	1
EUR 5Y Swap	-0,06	↑	1	↑	2
GB 3M Libor	0,40	↓	0	↑	0
GB 2Y Swap	0,60	↑	2	↑	2
GB 5Y Swap	0,73	↑	1	↑	2
JP 3M Libor	-0,01	↑	0	↑	0
JP 2Y Swap	-0,05	↓	0	↑	2
JP 5Y Swap	-0,05	↓	-1	↑	1
CHF 3M Libor	-0,72	⇒	0	↑	0
CHF 2Y Swap	-0,66	↑	0	↑	2
CHF 5Y Swap	0,00	↑	0	↑	2

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	50,8	↓	-1,30	↓	-4,77
Gold	1 274	↑	0,77	↑	0,43

Source: Reuters, OTP Research

Reversing the morning's gains, crude prices fell more than 2% on Tuesday. The Brent is just above USD 50 (at 50.3), while the WTI sank below it (to 49.3).

The one-point rise in Germany's Ifo economic sentiment index (from 109.5 to 110.5) came as a surprise. Its manufacturing and construction components have improved, while retail and wholesale sectors fell. In the light of the current figure, Germany's economy may outperform the eurozone.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Tuesday	DE	Oct	Ifo Business Climate	110,5	109,5	109,5
	US	Aug	CasShiller20 home price index, SA (mom, %)	0,2	0,1	0,0
	US	Oct	Consumer confidence (points)	98,6	101,0	104,1
Wednesday	US	Oct	Markit Services PMI (flash, point)		52,3	52,3
	US	Sep	New Home Sales (annualized, thousands)		600	609

Source: Reuters, OTP Research

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