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## Daily Report – Global Markets

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 931	↓ -0,16	↓ -1,27
S&P500	2 089	↓ -0,44	↓ -1,78
Nasdaq100	4 679	↓ -1,01	↓ -3,25
Russell2000	1 157	↓ -0,49	↓ -2,59
Stoxx600	332	↑ 0,00	↓ -2,71
DAX	10 326	↓ -0,43	↓ -3,46
FTSE 100	6 791	↓ -0,80	↓ -2,94
CAC40	4 412	↓ -0,07	↓ -3,01
ATX	2 469	↑ 1,66	↓ -1,49
IBEX35	8 880	↑ 0,07	↓ -3,45
Nikkei 225	17 135	↓ -1,34	↓ -5,88
Hang Seng	22 701	↑ 0,08	↓ -1,11
SSEC	3 121	↓ -0,24	↑ 0,55
SENSEX	27 372	↓ -0,21	↓ -0,21
RTS	971	↓ -0,19	↓ -2,12
Bovespa	63 326	↓ -2,49	↓ -3,98

**FX MARKET**

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1103	↑ 0,08	↑ 0,99
EUR/CHF	1,0816	↑ 0,17	↓ -0,22
GBP/USD	1,2460	↑ 1,33	↑ 2,30
USD/JPY	103,32	↑ 0,34	↓ -1,31
AUD/USD	0,7662	↓ -0,21	↑ 0,88
USD/CAD	1,3407	↑ 0,10	↑ 0,07
USD/RUB	63,66	↑ 0,16	↑ 1,18

**RISK INDICATORS**

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	22,1	↑ 2,8	↑ 6,7
CDS 5Y PIIS	22	↑ 0,2	↑ 3,9
CDS 5Y Italy	118	↑ 0,4	↑ 8,8
CDS 5Y Belg.	130	↑ 0,4	↑ 0,4
iTraxx 5Y EU	20,1	↑ 0,8	↑ 4,2
US TED Spread	75,6	→ 0,0	↓ -9,5

Source: Reuters, OTP Research

**Summary**

- The unsupportive sentiment on advanced markets did not improve yesterday.
- Britain's Parliament will vote about Brexit, which may delay the exit process; the GBP firmed.
- The Bank of England did not change its rates or asset purchase programme.

The sentiment on advanced equity markets remained rather depressed: the downward trends continued on both sides of the Atlantic. In Europe, the Stoxx600 went 0.8% higher at one point after Britain's High Court ruled that the Parliament's approval was required for the UK to leave the EU. Then the weaker-than-expected US macroeconomic statistics triggered a selloff that erased earlier gains; thus the index returned near its closing level on Wednesday. Retail chains, banks, and real property companies were the top performers. Banks also benefited from cheering earnings reports; as a result, Société Generale's stock price jumped by 5.5% and ING Groep surged 2.3%. Credit Suisse nose-dived 7.1% – although its figures topped expectations, the profit came mostly from one-off items. The Royal Bank of Scotland rallied 6%, and a number of British financial service providers and real property companies advanced; yet the FTSE slipped 0.8% yesterday. BMW and Commerzbank will present their earnings reports today.

The key indices of America also closed down: the S&P sank 0.4%, and the Dow shed 0.2%. Of the S&P's sub-indices, health care, technology, and consumer discretionaries were the weakest sectors. The NASDAQ100 dropped 1% yesterday. Facebook's share price plunged 5.6% as the company brought down its forecast for this year, projecting slower growth in revenue and higher costs. The social network company gave account of a whopping 56% surge in revenue in the third quarter. Facebook's fall yesterday lessened its largest owner Mark Zuckerberg's wealth by USD 3 billion. Another loser of the tech segment, GoPro dived 7% during Thursday's session, before releasing a disappointing earnings report after trading hours. The wearable camera maker also revised down its revenue forecast for this year, which triggered 25% nose-dive in its share price in after-hours trading, suggesting further losses in Friday's normal session. Google dropped 0.8%, and Microsoft closed 0.4% down on Thursday. The semiconductor segment also fell; Intel shrank 1.9%, and Texas Instruments came 1.4% down.

Asia's markets opened mixed: mainland China showed strength, but indices in Hong Kong and Korea went south. Japan was closed on Thursday, and index futures suggest that its stock markets may open lower today. The uncertainty about US presidential elections left its mark on Asia's markets; even though investors find Hillary Clinton's victory more likely, they are also trying to prepare for a selloff that would come after Donald Trump's triumph.

**GOV'T BOND MARKET**

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,81	↓	0	↓	-8
US 10Y	1,81	↑	0	↓	-5
JP 2Y	-0,26	↓	-1	↓	-1
JP 10Y	-0,06	↓	-1	↓	-1
GER 2Y	-0,64	↓	-2	↑	0
GER 10Y	0,13	↓	-3	↑	4

**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	0,00	↑	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	↓	-1	↓	-1
US 2Y Swap	1,02	↓	-1	↓	-4
US 5Y Swap	1,26	↓	-2	↓	-7
EUR 3M Euribor	-0,31	→	0	↓	0
EUR 2Y Swap	-0,16	→	0	↑	0
EUR 5Y Swap	0,01	↑	1	↑	0
GB 3M Libor	0,40	↓	0	↓	0
GB 2Y Swap	0,61	↑	3	↓	-2
GB 5Y Swap	0,80	↑	3	↓	-4
JP 3M Libor	-0,05	↓	-3	↓	-2
JP 2Y Swap	-0,05	↓	-1	↓	-2
JP 5Y Swap	-0,05	↓	-1	↓	-2
CHF 3M Libor	-0,73	↓	0	↓	0
CHF 2Y Swap	-0,65	↑	0	↓	-2
CHF 5Y Swap	0,00	↑	2	↑	0

**COMMODITIES**

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	46,4	↓	-1,09	↓	-6,48
Gold	1 303	↑	0,49	↑	1,49

Source: Reuters, OTP Research

As expected, the Bank of England left interest rates on hold, and neither did it change the conditions of its asset purchase programme. In the post-meeting statement governor Mark Carney mentioned the possibilities of both easing and tightening, if inflationary processes justify it. Thus the BoE abandoned its earlier intention that was expected to further lower interest rates. The Bank of England projects that inflation will exceed the 2% target next year and it will stay above it throughout the forecast horizon. Nevertheless Mr Carney hint at what rate of inflation the BoE would find too high, and neither did he reveal the exchange rate level that would trigger BoE intervention.

On Thursday the GBP firmed 1.3% against the USD; the High Court's ruling that the Parliament's approval was needed for the UK to leave the EU may have played a role. The EUR has slightly firmed against the USD yesterday, while the greenback lost some ground versus the JPY.

Crude oil prices fell further; the WTI sank below 45 USD/barrel (-1.6%), while the Brent slipped 1.2% yesterday.

In the USA, the non-manufacturing purchasing managers' index was well short of expectations, and some September components of the factory orders statistics paint a dim picture.

The November employment report is likely to be in the centre of investors' attention the USA today.

	COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
Thursday	EZ	Sep	Unemployment rate (%)	10,0	10,0	10,1
	UK	Nov	BoE Inflation Report	-	-	-
	UK	Nov	BoE Interest Rate Decision (%)	0,25	0,25	0,25
	CZ	Nov	Interest Rate Decision (%)	0,05	0,05	0,05
	US	Oct	ISM non-manufacturing PMI (point)	54,8	56,0	57,1
Friday	US	Oct	Factory Orders (mom, %)	0,3	0,2	0,2
	US	Oct	Unemployment rate (%)		4,9	5,0
	US	Oct	Average Earnings (yoy, %)		2,6	2,6
	US	Oct	Average Earnings (mom, %)		0,3	0,2
	US	Oct	Non-Farm Payrolls (mom, thousands)		175,0	156,0

Source: Reuters, OTP Research

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