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Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 923	↑ 0,29	↑ 3,22
S&P500	2 180	↑ 0,75	↑ 1,91
Nasdaq100	4 764	↑ 1,33	↓ -0,84
Russell2000	1 302	↑ 0,27	↑ 5,68
Stoxx600	339	↑ 0,27	↑ 1,27
DAX	10 735	↑ 0,39	↑ 2,41
FTSE 100	6 793	↑ 0,59	↓ -0,74
CAC40	4 537	↑ 0,62	↑ 1,33
ATX	2 513	↑ 0,81	↑ 2,26
IBEX35	8 687	↑ 0,33	↓ -2,80
Nikkei 225	17 135	↑ 1,10	↑ 18,09
Hang Seng	22 461	↑ 0,61	↑ 0,20
SSEC	3 205	↓ -0,06	↑ 2,45
SENSEX	26 569	↑ 1,00	↑ 1,00
RTS	980	↑ 2,10	↑ 0,80
Bovespa	63 326	n.a.	↓ -7,01

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0720	↓ -0,13	↓ -1,60
EUR/CHF	1,0741	↑ 0,26	↓ -0,02
GBP/USD	1,2453	↓ -0,26	↑ 0,40
USD/JPY	109,28	↑ 0,12	↑ 3,44
AUD/USD	0,7522	↓ -0,45	↓ -1,45
USD/CAD	1,3444	↓ -0,02	↑ 0,19
USD/RUB	64,44	↑ 0,42	↑ 0,90

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,4	↓ -1,1	↓ -5,4
CDS 5Y PIIS	13	↓ -3,4	↑ 4,7
CDS 5Y Italy	122	↓ -3,0	↑ 7,1
CDS 5Y Belg.	137	↓ -0,6	↑ 1,8
iTraxx 5Y EU	21,9	↓ -1,9	↑ 4,1
US TED Spread	77,3	⇒ 0,0	↓ -6,6

Source: Reuters, OTP Research

Summary

- Global stock markets closed with gains on Tuesday.
- The GBP weakened owing to the sluggish UK inflation.
- Oil prices jumped higher; OPEC countries are trying to reach agreement on lowering output.
- The USA released encouraging macroeconomic data; Italy's GDP growth has surpassed expectations.

Europe's and America's equity markets advanced on Tuesday. This time the sectors that missed out on the post-presidential-election rally fared better than others. The best-performing sectors were utilities and real estate names, while mining companies' share prices saw the sharpest falls. In Europe, Volkswagen gained 1.4% on reports that it had come to an agreement with US authorities to buy back or fix 80,000 vehicles that were affected by the diesel scandal. EasyJet soared 3% after announcing plans to counterbalance the GBP's weakening by cost-cutting measures.

For the first time after four days, Asia's markets picked up, largely driven by the energy sector. Japan's equity market may be benefiting from the increasing US growth outlook and the weakening yen.

The dollar remained on the rise against the major currencies. The GBP weakened when the lower-than-expected UK inflation figure came out. Speaking before MPs, the Bank of England's governor Mark Carney said that the GBP's depreciation stems from the British economy's growth outlook; the BoE's decision-makers are not planning to extend the asset purchase programme.

US and German government bond yields were stable on Tuesday; the increase in yields that started after the US election seems to come to an end. Last week, the 10Y US yield marched 37 points higher.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	1,01	↑	0	↑	14
US 10Y	2,23	↓	-2	↑	37
JP 2Y	-0,18	↑	3	↑	8
JP 10Y	0,00	↑	1	↑	7
GER 2Y	-0,62	↓	-2	↑	1
GER 10Y	0,32	↓	-3	↑	17

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	0,91	↓	-1	↑	2
US 2Y Swap	1,22	↑	1	↑	10
US 5Y Swap	1,68	↑	2	↑	18
EUR 3M Euribor	-0,31	→	0	→	0
EUR 2Y Swap	-0,13	↑	1	↑	2
EUR 5Y Swap	0,12	↓	0	↑	7
GB 3M Libor	0,40	→	0	↓	0
GB 2Y Swap	0,67	↓	0	↑	8
GB 5Y Swap	0,94	↓	-2	↑	12
JP 3M Libor	-0,06	↑	0	↓	0
JP 2Y Swap	0,03	↑	2	↑	8
JP 5Y Swap	0,08	↑	5	↑	11
CHF 3M Libor	-0,74	↓	0	↑	0
CHF 2Y Swap	-0,65	↓	-5	↓	0
CHF 5Y Swap	0,00	↓	-1	↑	15

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	47,0	↑	5,67	↑	1,53
Gold	1 228	↑	0,67	↓	-3,99

Source: Reuters, OTP Research

Oil prices jumped high on Tuesday; the Brent surged 5.7%. Reportedly, the diplomats of Algeria, Qatar, and Venezuela are mediating among the disagreeing parties (Saudi Arabia, Iraq and Iran), to help strike a deal before the 30 November OPEC general meeting, to reduce the production quota of the organization.

A raft of macroeconomic statistics was released on Tuesday. The eurozone's GDP growth matched expectations in general, but the German economy did worse than analysts had predicted while Italy beat expectations. The latter may have cheered Prime Minister Matteo Renzi, whose position hinges on the success of the early December referendum on legislation reform. In sync with Germany's ailing, the data published in Eastern and Central Europe (including Hungary) also missed expectations.

In the United Kingdom, inflation has dropped since September, even though analysts had predicted an increase because of the sterling's steady weakening in recent months.

The data from the United States were encouraging: retail sales grew robustly in October, and the New York Fed sentiment index also topped expectations.

A number of Fed officials (Bullard, Kashkari, and Harker) will make speeches today. The statements made in recent days make a December rate hike almost certain; futures prices suggest that its probability is more than 90%.

COUNTRY	DATE	INDICATOR / EVENT	FACT	CONSENSUS	PREVIOUS
EZ	Q3	GDP (preliminary, yoy, %)	1,6	1,6	1,6
DE	Q3	GDP (preliminary, yoy, %)	1,5	1,8	3,1
DE	Nov	ZEW Economic Sentiment (points)	13,8	8,1	6,2
IT	Q3	GDP (preliminary, yoy, %)	0,9	0,8	0,8
UK	Oct	CPI (yoy, %)	0,9	1,1	1,0
US	Nov	New York Fed Manufacturing index (points)	1,5	-2,5	-6,8
US	Oct	Retail sales (mom, %)	0,8	0,6	0,6
US	Sep	Business inventories (mom, %)	0,1	0,2	0,2
Wednesday	US	Industrial production (mom, %)		0,2	0,1

Source: Reuters, OTP Research

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