

## Treasury Sales Team

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## Daily Report – Global Markets

**STOCK EXCHANGE**

|             | Close  | Daily chg. (%) | Weekly chg. (%) |
|-------------|--------|----------------|-----------------|
| DJIA        | 18 904 | ↑ 0,19         | ↑ 0,51          |
| S&P500      | 2 187  | ↑ 0,47         | ↑ 0,91          |
| Nasdaq100   | 4 827  | ↑ 0,72         | ↑ 1,68          |
| Russell2000 | 1 309  | ↑ 0,56         | ↑ 2,11          |
| Stoxx600    | 341    | ↑ 0,63         | ↑ 0,51          |
| DAX         | 10 686 | ↑ 0,20         | ↑ 0,52          |
| FTSE 100    | 6 795  | ↑ 0,67         | ↓ -0,49         |
| CAC40       | 4 528  | ↑ 0,59         | ↓ -0,07         |
| ATX         | 2 482  | ↓ -0,62        | ↓ -0,78         |
| IBEX35      | 8 718  | ↑ 0,92         | ↓ -0,44         |
| Nikkei 225  | 17 135 | ↑ 0,59         | ↑ 6,86          |
| Hang Seng   | 22 284 | ↑ 0,10         | ↓ -1,10         |
| SSEC        | 3 188  | ↓ -0,62        | ↓ -0,24         |
| SENSEX      | 26 246 | ↑ 0,07         | ↑ 0,07          |
| RTS         | 996    | ↑ 0,63         | ↑ 0,21          |
| Bovespa     | 63 326 | ↓ -1,63        | ↓ -2,34         |

**FX MARKET**

|         | Close  | Daily chg. (%) | Weekly chg. (%) |
|---------|--------|----------------|-----------------|
| EUR/USD | 1,0625 | ↓ -0,56        | ↓ -2,26         |
| EUR/CHF | 1,0701 | ↓ -0,10        | ↓ -0,23         |
| GBP/USD | 1,2415 | ↓ -0,21        | ↓ -1,46         |
| USD/JPY | 110,60 | ↑ 0,47         | ↑ 3,68          |
| AUD/USD | 0,7399 | ↓ -0,07        | ↓ -2,00         |
| USD/CAD | 1,3542 | ↑ 0,16         | ↑ 0,01          |
| USD/RUB | 65,12  | ↑ 0,37         | ↓ -0,78         |

**RISK INDICATORS**

|               | Close | Daily chg (bp) | Weekly chg (bp) |
|---------------|-------|----------------|-----------------|
| VIX           | 13,4  | ↓ -0,4         | ↓ -1,4          |
| CDS 5Y PIIS   | 13    | ↑ 2,7          | ↑ 6,9           |
| CDS 5Y Italy  | 126   | ↑ 3,8          | ↑ 14,7          |
| CDS 5Y Belg.  | 144   | ↑ 0,7          | ↑ 2,5           |
| iTraxx 5Y EU  | 22,9  | ↑ 0,4          | ↑ 4,9           |
| US TED Spread | 79,5  | ⇒ 0,0          | ↑ 3,2           |

Source: Reuters, OTP Research

**Summary**

- The leading markets of the western world closed in positive territory on Thursday.
- A December Fed interest rate hike seems increasingly certain, the USD firmed against the key currencies, and US bond yields have substantively grown.
- The US released strong housing market data yesterday.

Buyers outnumbered sellers on the equity markets of Europe and America yesterday, even though Fed chair Janet Yellen gave the strongest indication to date for a December interest rate hike. In the USA, consumer goods and industrial goods manufacturers did not do well, and mining companies were also ailing. Wal-Mart, the largest retail chain in the world, published worse-than-expected earnings report, while mining companies may have been hit by the recent days' fall in raw material prices. On the other hand, the financial and the tech sectors fared well.

As a result of the unambiguous hint at the December rate hike, the US dollar advanced against practically all major currencies. Commodity-driven currencies (the AUD and the CDN) fell particularly sharply versus the USD. The minutes of the latest ECB meeting suggest that most policy-makers of the Bank agree with maintaining the current monetary framework, thus they are not pondering any limits to quantitative easing. The yen's depreciation against the USD benefited Japan's stock market, helping it gain 0.6%.

Because of the US monetary political developments, American bond yields' spectacular rise continued yesterday, as the 2Y one upped 5 bps, and the 10Y grew by a whopping 12 bps in a single day.

Oil markets made interesting moves yesterday. Even though the end-November OPEC agreement increasingly seems to succeed, the black gold's price started to slip in the middle of the day. This reversal can be attributed to the higher-than-expected US crude oil inventories as well as to the EIA's announcement that a significant shale oil producing capacity may resume if oil price reaches USD 60.

Because of the USD's firming, gold and silver prices slipped. The former arrived at an important support level, USD 1,210, while the latter broke below another critical mark, 17.5 a few days ago.

**GOV'T BOND MARKET**

|         | Yield (%) |   | Daily chg (bp) |   | Weekly chg (bp) |
|---------|-----------|---|----------------|---|-----------------|
| US 2Y   | 1,05      | ↑ | 5              | ↑ | 16              |
| US 10Y  | 2,32      | ↑ | 12             | ↑ | 28              |
| JP 2Y   | -0,16     | ↓ | -5             | ↑ | 9               |
| JP 10Y  | 0,00      | ↓ | -3             | ↑ | 2               |
| GER 2Y  | -0,63     | ↓ | -1             | ↓ | -1              |
| GER 10Y | 0,30      | ↓ | -1             | ↑ | 7               |

**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    | 0,00     | ↓ | -91            | ↓ | -90             |
| US 2Y Swap     | 1,26     | ↑ | 2              | ↑ | 10              |
| US 5Y Swap     | 1,74     | ↑ | 3              | ↑ | 15              |
| EUR 3M Euribor | -0,31    | ↓ | 0              | → | 0               |
| EUR 2Y Swap    | -0,13    | ↑ | 2              | → | 0               |
| EUR 5Y Swap    | 0,12     | ↓ | 0              | ↓ | -1              |
| GB 3M Libor    | 0,00     | ↓ | -40            | ↓ | -40             |
| GB 2Y Swap     | 0,66     | ↓ | 0              | ↑ | 5               |
| GB 5Y Swap     | 0,96     | ↑ | 2              | ↑ | 5               |
| JP 3M Libor    | 0,00     | ↑ | 5              | ↑ | 6               |
| JP 2Y Swap     | 0,02     | ↑ | 2              | ↑ | 5               |
| JP 5Y Swap     | 0,07     | ↑ | 4              | ↑ | 7               |
| CHF 3M Libor   | 0,00     | ↑ | 73             | ↑ | 74              |
| CHF 2Y Swap    | -0,64    | ↓ | 0              | ↓ | -2              |
| CHF 5Y Swap    | -0,34    | ↓ | -1             | ↑ | 3               |

**COMMODITIES**

|           | Close |   | Daily chg. (%) |   | Weekly chg. (%) |
|-----------|-------|---|----------------|---|-----------------|
| Oil Brent | 46,5  | ↓ | -0,30          | ↑ | 3,22            |
| Gold      | 1 216 | ↓ | -0,73          | ↓ | -1,31           |

Source: Reuters, OTP Research

The USA published strong real estate data yesterday, while the October inflation rate grew in line with expectations. Today there will be not much excitement on macroeconomic front; only Canada will release inflation statistics.

|          | COUNTRY | DATE | INDICATOR / EVENT                        | FACT               | CONSENSUS | PREVIOUS |
|----------|---------|------|--|--------------------|-----------|----------|
| Thursday | UK      | Oct  | Retail sales (mom, %)                    | 1.9                | 0,4       | 0,0      |
|          | EZ      | Oct  | CPI (final, yoy, %)                      | 0,5                | 0,5       | 0,5*     |
|          | EZ      | Oct  | ECB Monetary Policy Meeting Accounts     | -                  | -         | -        |
|          | US      | Oct  | CPI (yoy, %)                             | 1,6                | 1,6       | 1,5      |
|          | US      | Oct  | CPI (mom, %)                             | 0,4                | 0,4       | 0,3      |
|          | US      | Oct  | Core CPI (yoy, %)                        | 2,1                | 2,2       | 2,2      |
|          | US      | Oct  | Core CPI (mom, %)                        | 0,1                | 0,2       | 0,1      |
|          | US      | Oct  | Building Permits (annualized, thousands) | 1 230              | 1 198     | 1 225    |
|          | US      | Oct  | Housing starts                           | 1 320              | 1 156     | 1 047    |
|          | Friday  | US   | Oct                                      | Leading Indicators |           | 0,1      |
| CAD      |         | Oct  | CPI (mom, %)                             |                    | 0,2       | 0,1      |
| CAD      |         | Oct  | Core CPI (mom, %)                        |                    | 0,3       | 0,2      |

Source: Reuters, OTP Research

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