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Global Daily Report

Summary

- The developed world's stock markets underwent correction on Thursday.
- The JPY and the AUD appreciated.
- The EZ released strong industrial production figure. US inflation data are worth checking today.

Advanced economies' stock markets saw a slight correction yesterday. The slight uptick in Germany's DAX was the only exception – elsewhere in Europe France's CAC, Spain's IBEX, and Italy's FTSE MIB all closed down. America's top three indices all shed more than 0.1%. In the corporate world, the figures in the quarterly reports of Citigroup and JPMorgan surprised on the upside, but that was not enough for the S&P 500's financial sub-index to outperform the market average. The IMF's Global Financial Stability report came with bad news for the financial sector, as it found that nine global big banks, including Deutsche Bank, Unicredit, Citigroup and Societe General, may face serious problems in the future, because of their low profitability. The ECB's new plan on bad-loan provisioning was additional unwelcome news for Italian banks, because Italy's banking system owns one-third of the Eurozone's non-performing loans.

On currency markets, the yen showed strength yesterday and there was a turnaround on the pound's market too. The AUD also firmed, benefiting from the rising price of copper. In the CEE region, the HUF made a small gain versus the EUR, while the PLN and the CZK ended practically flat.

In addition to copper, gold and silver also ground higher on Thursday, extending their one-week winning streak. Crude prices edged down yesterday.

A bunch of important macroeconomic data came out on Thursday. The eurozone's industrial production in August grew by 1.4% month/month, and the previous month's gauge was revised higher too. Importantly, the usual summer holiday factory shutdown in August seems to have shifted, distorting the July figure downwards, and the August one upwards. In the USA, the headline industrial producer price index accelerated as expected, but the producer core price index (which is more important for inflationary processes) grew stronger than had been thought. Yet this figure may reflect the impact of the hurricane season. Initial jobless claims seem to be normalizing as the hurricane season is over.

Important macroeconomic statistics are due out in America today, including the most recent inflation and retail sales data. The latest inflation reading may bear particular effect on markets, as the minutes of the Fed minutes published on Wednesday reveals that a number of decision-makers are worried about low inflation. Another important release will be the University of Michigan consumer sentiment index.

	Stocks				Bonds				Commodity & FX			
	Product name	Close	Daily change (%)	YTD (%)	Product name	Yield	Daily change*	YTD*	Product name	Close	Daily change (%)	YTD (%)
Global	S&P500	2555,2	0,2	14,1	VIX	9,9	-2,3	-30	WTI	51,60	1,0	-3,9
	DOW	22872,9	0,2	15,7	US 2Y	1,52	1,3	32	Brent	56,94	0,6	0,2
	Nasdaq100	6081,3	0,3	25,0	US 10Y	2,35	0,0	-9	Gold	1291,7	0,3	12,2
	DAX	12970,7	0,2	13,0	GER 2Y	-0,69	0,1	10	Silver	17,16	0,5	7,7
	CAC40	5362,4	0,0	10,3	GER 10Y	0,47	2,0	26	EUR/USD	1,1857	0,4	12,8
	FTSE 100	7533,8	-0,1	5,5	PT10Y	2,33	-6,1	-143	EUR/GBP	0,8966	0,3	5,3
	FTSE MIB	22552,2	1,0	17,2	IT 10Y	2,16	-2,7	34	EUR/NOK	9,3924	0,0	3,4
	Stoxx600	390,2	0,0	7,9	SP 10	1,66	-3,2	27	USD/CAD	1,2458	-0,4	-7,2
	- Banks	165,4	0,2	23,3	iTRAXX	55,3	-1,3	-24	AUD/USD	0,7787	0,1	7,9
	Nikkei 225	20954,7	0,4	9,6	JPY 2Y	-0,14	0,4	4	USD/JPY	112,48	0,0	-3,8
SSEC	3368,8	-0,6	8,5	JPY 10Y	0,07	0,3	2	GBP/USD	1,3221	0,1	7,2	
Regional	RTS	1143,3	0,7	-0,8	RUS10	7,54	-0,7	-10	USD/RUB	57,775	-0,3	-6
	WIG20	2551,78	1,4	31,0	POL 10	3,42	-1,5	-6	EUR/PLN	4,2689	-0,6	-3,1
	PX50	1054,4	0,4	14,4	CZ10	1,37	1,6	192	EUR/RON	4,5826	0,0	1,0
Hungary	BUX	38453	1,1	20,2	3M TB	0,03	0	-13	EUR/HUF	308,99	-0,5	0,1
	OTP	10540	1,5	25,5	1Y	0,04	0	-14	USD/HUF	260,61	-0,9	-11,2
	MOL	3020	0,5	17,1	3Y	0,62	-2	-24	CHF/HUF	267,75	-0,8	-7,0
	MTelekom	482	0,4	-3,2	5Y	1,33	-5	-44	PLN/HUF	72,270	0,0	3,2
	Richter	6670	1,3	7,4	10Y	2,67	-12	-53	GBP/HUF	344,57	-0,8	-5

* In the case of bond yields, the change is in basis points instead of percentage (VIX and ITRAXX not included).

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2017 10. 9.	8 : 00 DE	Industrial production (mom, %)	Aug.	2,6	0,7	-0,1
	9 : 00 HU	Trade balance (preliminary, monthly, EUR mn)	Aug.	440	520	303,0
	10 : 30 EZ	Sentix Investor confidence (points)	Oct.	29,7	28	28,2
10.	8 : 00 DE	Export (mom, %)	Aug.	3,1	1,1	0,2
	9 : 00 HU	Inflation (yoy, %)	Sept.	2,5	2,6	2,6
	9 : 00 HU	Core inflation (yoy, %)	Sept.	2,9	-	2,8
	10 : 30 UK	Industrial production (mom, %)	Aug.	0,2	0,2	0,30
11.	20 : 00 US	FOMC Minutes	Sept.	-	-	-
12.	9 : 00 HU	Industrial production (second estimate, yoy, %)	Aug.		-	6,8*
	12 : 00 EZ	Industrial production (mom, %)	Aug.		0,3	0,1
	20 : 00 US	Federal budget balance (USDbn)	Sept.		-	-108
13.	14 : 30 CN	Export (yoy, %)	Sept.		8,8	5,5
	14 : 30 CN	Import (yoy, %)	Sept.		13,5	13,3
	4 : 00 DE	CPI (final, yoy, %)	Sept.		1,8	1,8*
	4 : 00 US	CPI (yoy, %)	Sept.		2	1,9
	8 : 00 US	CPI (mom, %)	Sept.		0,4	0,4
	14 : 30 US	core-CPI (yoy, %)	Sept.		1,8	1,7
	14 : 30 US	core-CPI (mom, %)	Sept.		0,2	0,2
	14 : 30 US	Retail sales (mom, %)	Sept.		0,4	-0,2
	16 : 00 US	Business inventories (mom, %)	Aug.		0,4	0,2
	16 : 00 US	Michigan Consumer confidence (preliminary, points)	Oct.		95,8	95
	0 : 0 US	IMF - Annual Conference (13-15th Oct.)	-		-	-
15.	0 : 0 AT	Parliamentary election	-		-	-

* preliminary data

Source: Reuters, OTP Research

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