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Global Daily Report

Summary

- The sentiment on most stock markets of the world was buoyant on Monday, US benchmarks hit new highs.
- Netflix' subscriber base grew stronger than expected; its share price may extend its gains.
- Oil prices are rising

The 30th anniversary of the Black Monday in 1987 did not bring much excitement; the world's leading stock indices barely moved yesterday. The pan-European Stoxx600 index erased its earlier gains by the end of the day, and ended near Friday's closing value. Spain's IBEX (-0.8%) has been falling for three days now, while the Catalan leader still is vague about whether or not he had declared the region's independence. Madrid has given Mr Puigdemont until 10:00 on Thursday to clarify his position but he wants two months of negotiation about the region's secession. The political uncertainty hit Spain's banks most of all: Banco Sabadell plummeted 2.8%, and BBVA fell 1.9% on Monday. On the Madrid stock exchange, Gamesa, a renewable energy company of Siemens, nose-dived 6.3% after lowering its profit guidance. Convatec, a component of the FTSE100, lost more than a quarter of its share price on Monday, after reducing its 2017 revenue forecast. The pharmaceutical Novo Nordisk jumped 5%, on the back of favourable news from the US Food and Drug Administration.

In the USA, the Dow, the S&P, and the NASDAQ all closed at all-time highs. The S&P was driven mostly by financial service providers and the technology sector, while healthcare and real property weighed on it. Corporate earnings reports are coming to the fore; Netflix's quarterly figures, posted after market close, were in the centre of attention on Monday. The streaming service provider's share price rose by a total of 15% over the past 10 business days. On Monday, its 1.6% gain was enough to hit the 202 USD/share all-time high. Its quarterly earnings report revealed it had a better-than-expected 5.3 million new, mostly foreign subscribers, and its financial results also surprised on the upside, thus the share price is likely to extend its winning streak on Tuesday. Tesla reversed 1.4% after the announcement to cut hundreds of jobs. The quarterly reports of Goldman Sachs, Morgan Stanley, Harley-Davidson, Johnson&Johnson and IBM are also due out today.

Asia's leading indices closed higher this morning, but the increase halted without breaking new records as South Korea warned that a nuclear war may be imminent.

The uncertainty of the Catalan situation left its mark on the euro's performance; the single European currency shed 0.1% against the USD, but it gained 0.1% versus the JPY. News that Brexit talks may halt put an end to the pound's five-day-long rising streak, the GBP shed 0.3% against the USD. The Mexican peso (MXN) sank to a five-month low after the Trump administration came up with aggressive demands in the fourth round of the NAFTA negotiations.

In Friday's trading, oil price grew by nearly 1% after production halted in the Kurdistan region owing to clashes between the Iraqi army and Kurds. The Brent climbed 1.3% and the WTI upped 0.8%. In industrial metals, copper grew by 3.4%, to a three-year high. Palladium rose to 1,000 USD/ton at one point on Monday, to a level unseen since 2001.

Today the UK will publish September inflation data and Mark Carney, the head of the Bank of England will speak in the British parliament's treasury committee, for the first time since the elections in June. Germany's ZEW economic sentiment index is expected to signify further improvement.

	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	2557,6	0,2	14,2	VIX	9,9	3,1	-29	WTI	51,87	0,8	-3,4
	DOW	22957,0	0,4	16,2	US 2Y	1,54	4,5	34	Brent	57,82	1,1	1,8
	Nasdaq100	6114,5	0,4	25,7	US 10Y	2,31	2,9	-12	Gold	1294,0	-0,8	12,4
	DAX	13003,7	0,1	13,3	GER 2Y	-0,73	-1,0	6	Silver	17,19	-1,0	7,9
	CAC40	5362,9	0,2	10,3	GER 10Y	0,38	-2,7	17	EUR/USD	1,1795	-0,2	12,2
	FTSE 100	7527,0	-0,1	5,4	PT10Y	2,35	1,7	-141	EUR/GBP	0,8901	0,1	4,5
	FTSE MIB	22428,3	0,1	16,6	IT 10Y	2,04	-2,6	21	EUR/NOK	9,3174	-0,1	2,5
	Stoxx600	391,4	0,0	8,3	SP 10	1,58	-2,6	18	USD/CAD	1,2516	0,4	-6,8
	- Banks	163,0	-0,4	21,5	iTRAXX	55,5	0,5	-23	AUD/USD	0,7850	-0,5	8,8
	Nikkei 225	21336,1	0,4	11,6	JPY 2Y	-0,13	0,6	4	USD/JPY	112,18	0,3	-4,0
SSEC	3368,8	-0,3	8,5	JPY 10Y	0,07	0,6	2	GBP/USD	1,3248	-0,3	7,4	
Regional	RTS	1158,2	0,1	0,5	RUS10	7,52	0,4	-10	USD/RUB	57,272	0,2	-7
	WIG20	2534,52	0,3	30,1	POL 10	3,28	-1,0	-10	EUR/PLN	4,2335	-0,3	-3,9
	PX50	1052,8	0,0	14,2	CZ10	1,37	0,1	193	EUR/RON	4,5810	-0,1	1,0
Hungary	BUX	39120	0,6	22,2	3M TB	0,03	0	-13	EUR/HUF	307,61	-0,1	-0,4
	OTP	10655	0,8	26,8	1Y	0,06	2	-12	USD/HUF	260,69	0,1	-11,2
	MOL	3186	0,4	23,5	3Y	0,50	-2	-36	CHF/HUF	267,25	0,1	-7,2
	MTelekom	480	-0,4	-3,6	5Y	1,25	-3	-52	PLN/HUF	72,620	0,2	3,7
	Richter	6561	0,6	5,7	10Y	2,56	-3	-65	GBP/HUF	345,44	-0,2	-4

* 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. 16.	14 : 30	US	New York Fed Manufacturing index (points)	Oct.	30,2	20,75	24,4
17.	9 : 00	HU	Construction output (yoy, %)	Aug.	-	-	22,7
	10 : 30	UK	Inflation (yoy, %)	Sept.		3	2,9
	10 : 30	UK	Core inflation (yoy, %)	Sept.		2,7	2,7
	11 : 00	DE	ZEW Economic Sentiment (points)	Oct.		19,5	17,0
	12 : 00	EZ	CPI (final, yoy, %)	Sept.		1,5	1,5*
	15 : 15	US	Industrial production (mom, %)	Sept.		0,3	-0,90
18.	14 : 30	US	Housing starts (annualized monthly, '000s)	Sept.		1175	1180,0
	14 : 30	US	Building permits (annualized monthly, '000s)	Sept.		1255	1272,0
	20 : 00	US	Beige Book	Oct.		-	-
19.	4 : 00	CN	Infrastructural investments (yoy, %)	Sept.		7,7	8
	4 : 00	CN	Industrial production (yoy, %)	Q3		6,2	6,0
	9 : 00	CN	Retail sales (yoy, %)	Aug.		10,2	10,1
	4 : 00	CN	GDP (yoy, %)	Sept.		6,8	6,9
	4 : 00	CN	GDP (qoq, %, SA)	Sept.		1,7	1,7
	4 : 00	HU	Gross wages (yoy, %)	Q3		-	13,1
	10 : 30	UK	Retail sales (mom, %)	Sept.		-0,2	1,0
	16 : 00	US	Leading index (mom, %)	Sept.		0,2	0,4
20.	16 : 00	US	Existing home sales (mom, %)	Sept.		5310	5350,0
	23 : 55	HU	Moody's Credit Rating decision	Oct.		-	Baa3 stabil
21.	1 : 15	US	Janet Yellen's speech (Washington)	Oct.		-	-

* preliminary data

Source: Reuters, OTP Research

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