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Global Daily Report

Summary

- Refraining from Brexit would boost Britain's economy, the OECD's latest country report concludes.
- America's stock markets were driven by corporate reports; the Dow hit yet another high.
- The Fed Beige Book is due out today

Western Europe's key stock markets inched down on Tuesday, with Britain's FTSE100 (-0.1%) being the worst performer. Yesterday the OECD presented its latest country report on the United Kingdom, pointing out that the economy's growth prospects would substantially improve if the UK reversed Brexit. In response, the Prime Minister's spokesperson said that Britain would quit the EU and there would be no new referendum on the issue, thus confirming Theresa May's statement made a few days earlier. Britain's 10Y yield fell six basis points (to 1.27%), and the pound weakened against the EUR and the USD. Another reason for its ailing may have been Mark Carney's speech: the Bank of England's governor said the BoE was preparing plans for a hard Brexit scenario.

Tuesday's trading started with slight moves in the USA, but the key indices recovered by the end of trading, helping the Dow close at new high. Lacking important macroeconomic releases, corporate reports influenced markets yesterday. The Q3 reports of Goldman Sachs, Morgan Stanley, UnitedHealth Group and Johnson & Johnson all surprised on the upside, yet Goldman closed 2.6% down as its stock and bond trading divisions did not do as well as in the base period (year/year). Within the S&P, the health care sector (+1.3%) excelled, in sync with the above-mentioned remarkable corporate news. The USD firmed against the key currencies owing to speculation that Janet Yellen's successor will be a much keener supporter of interest rate hike than the incumbent chair. US 10Y Treasury note stagnated at 2.3%.

The Brent and the WTI climbed somewhat higher but the most important industrial and precious metals fell more than 1%; the weakest of them, zinc nose-dived 4%.

Asia's key indices painted a mixed picture this morning; only Hong Kong's Hang Seng closed in the red.

Today's highlights include the US housing market data as well as the Fed's Beige Book. The latter and the FOMC decision-makers' speeches may fuel December rate hike expectations.

	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	2559,4	0,1	14,3	VIX	10,3	4,0	-27	WTI	52,02	0,3	-3,2
	DOW	22997,4	0,2	16,4	US 2Y	1,55	0,8	35	Brent	57,88	0,1	1,9
	Nasdaq100	6122,6	0,1	25,9	US 10Y	2,30	-1,1	-13	Gold	1284,8	-0,7	11,6
	DAX	12995,1	-0,1	13,2	GER 2Y	-0,73	0,5	6	Silver	16,99	-1,2	6,6
	CAC40	5361,4	0,0	10,3	GER 10Y	0,36	-1,2	16	EUR/USD	1,1766	-0,2	11,9
	FTSE 100	7516,2	-0,1	5,2	PT10Y	2,34	-1,4	-142	EUR/GBP	0,8919	0,2	4,7
	FTSE MIB	22337,8	-0,4	16,1	IT 10Y	2,01	-3,4	18	EUR/NOK	9,3455	0,3	2,9
	Stoxx600	390,4	-0,2	8,0	SP 10	1,55	-2,5	16	USD/CAD	1,2518	0,0	-6,8
	- Banks	162,7	-0,1	21,3	iTRAXX	55,0	-0,9	-24	AUD/USD	0,7843	-0,1	8,7
	Nikkei 225	21363,1	0,1	11,8	JPY 2Y	-0,13	0,5	5	USD/JPY	112,19	0,0	-4,0
SSEC	3368,8	-0,1	8,5	JPY 10Y	0,07	-0,1	2	GBP/USD	1,3189	-0,4	6,9	
Regional	RTS	1146,6	-1,0	-0,5	RUS10	7,55	0,4	-10	USD/RUB	57,334	0,1	-6
	WIG20	2514,36	-0,8	29,1	POL 10	3,29	0,5	-9	EUR/PLN	4,2352	0,0	-3,8
	PX50	1056,0	0,3	14,6	CZ10	1,41	3,1	202	EUR/RON	4,5815	0,0	1,0
Hungary	BUX	38910	-0,5	21,6	3M TB	0,03	0	-13	EUR/HUF	307,83	0,1	-0,3
	OTP	10610	-0,4	26,3	1Y	0,06	0	-12	USD/HUF	261,58	0,3	-10,9
	MOL	3128	-1,8	21,3	3Y	0,51	1	-35	CHF/HUF	267,26	0,0	-7,2
	MTelekom	477	-0,6	-4,2	5Y	1,24	-1	-53	PLN/HUF	72,650	0,0	3,7
	Richter	6627	1,0	6,7	10Y	2,54	-2	-66	GBP/HUF	344,91	-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.	36,8	-	22,7
	10 : 30 UK	Inflation (yoy, %)	Sept.	3,0	3,0	2,9
	10 : 30 UK	Core inflation (yoy, %)	Sept.	2,7	2,7	2,7
	11 : 00 DE	ZEW Economic Sentiment (points)	Oct.	17,6	19,5	17,0
	12 : 00 EZ	CPI (final, yoy, %)	Sept.	1,5	1,5	1,5*
	15 : 15 US	Industrial production (mom, %)	Sept.	0,3	0,3	-0,9
18.	14 : 30 US	Housing starts (annualized monthly, '000s)	Sept.		1175	1180
	14 : 30 US	Building permits (annualized monthly, '000s)	Sept.		1255	1272
	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
	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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