

Treasury Sales Team

Headquarter Treasury Sales

Ionut Constandache

0372 31 85 86

ionut.constandache@otpbank.ro

Corina Bejan

0372 31 85 87

corina.bejan@otpbank.ro

Anamaria Toma

0372 31 85 85

anamaria.toma@otpbank.ro

Cristian Bodirca

0372 31 85 88

cristian.bodirca@otpbank.ro

Regional Treasury Sales

Szilamer Kozma - Cluj

0755 000 400

szilamer.kozma@otpbank.ro

Tudor Zaman - Bucuresti

0755 000 199

tudor.zaman@otpbank.ro

Alexandru Sabin - Arad

0755 000 255

alexandru.sabin@otpbank.ro

Andrei Sala - Brasov

0755 000 015

andrei.sala@otpbank.ro



Global Daily Report

Summary

- Stock markets broke records again, Wednesday's corporate earnings figures were impressive
- Alteo is to simplify its subsidiary structure, with a view to curb costs
- Oil prices continued to climb higher, other commodities mostly dropped
- Government bond yields on advanced markets have risen
- Madrid's ultimatum to the Catalan regional government expires at 10:00 today

The optimism persisted on the world's stock markets, with Germany's DAX and several US indices closing at new highs. For the first time in its history, the Dow broke through the 23,000 level. Many corporate earnings reports surprised on the upside. The quarterly profit of American Express jumped 19% higher. IBM sky-rocketed 9% on reports that its revenue finally picked up at the end of the third quarter. Revamping its e-commerce platform boosted eBay's revenue by 8.7%. However, the news announced by Ford was less cheering: recalling 1.3 million of F model pick-ups, its most popular and profitable vehicle, will incur USD 267 million extra cost in Q4.

Oil prices climbed higher again on Wednesday, but its impetus was diminished by US inventory data, which signify a growth in end products. That said, API's data point to a stronger-than-expected fall in US crude reserves last week. Precious metals, industrial raw materials, and cereals prices all slipped on Wednesday.

Developed markets' government bond yields rose yesterday. On currency markets, the US dollar and the yen weakened while the EUR and the GBP firmed.

The Fed Beige Book revealed that the recent hurricanes may have decelerated economic growth in the third quarter. Job creation remained strong, and many regions experience labour shortage. Yet there is no sign of acceleration in wages or inflation. The US housing starts data published on Wednesday were rather weak. Even though hurricanes had an adverse effect on the housing market, statistics suggest that the recovery on this market came to a sudden halt. The construction industry's dynamics in the eurozone decelerated in August. China's third-quarter GDP reading, published on the week of the Communist party's national congress, did not cause surprise: the growth rate decelerated slightly, from 6.9% to 6.8% year over year.

Spain is likely to be in the focus of attention today. Madrid has given the Catalan regional leadership until 10:00 a.m. to revoke its declaration of independence, or else Madrid will impose direct rule in Catalonia. Elsewhere, the United Kingdom is to release September retail sales data, and the Philadelphia Fed index is due out in the USA. In the corporate world, the quarterly earnings figures of PayPal, Philip Morris and Verizon will see the light of day today.

	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	2561,3	0,1	14,4	VIX	10,1	-2,3	-28	WTI	52,26	0,5	-2,7
	DOW	23157,6	0,7	17,2	US 2Y	1,56	1,3	37	Brent	58,15	0,5	2,3
	Nasdaq100	6114,4	-0,1	25,7	US 10Y	2,34	4,1	-9	Gold	1280,8	-0,3	11,2
	DAX	13043,0	0,4	13,6	GER 2Y	-0,72	1,3	8	Silver	16,98	0,0	6,6
	CAC40	5383,8	0,4	10,7	GER 10Y	0,40	3,4	19	EUR/USD	1,1787	0,2	12,1
	FTSE 100	7542,9	0,4	5,6	PT10Y	2,36	2,2	-140	EUR/GBP	0,8925	0,1	4,8
	FTSE MIB	22354,7	0,1	16,2	IT 10Y	2,05	4,1	22	EUR/NOK	9,3802	0,4	3,2
	Stoxx600	391,6	0,3	8,3	SP 10	1,62	7,1	23	USD/CAD	1,2465	-0,4	-7,2
	- Banks	163,9	0,7	22,2	iTRAXX	54,8	-0,3	-24	AUD/USD	0,7844	0,0	8,7
	Nikkei 225	21448,0	0,4	12,2	JPY 2Y	-0,14	-0,7	4	USD/JPY	112,92	0,7	-3,4
SSEC	3368,8	-0,4	8,5	JPY 10Y	0,07	-0,3	2	GBP/USD	1,3203	0,1	7,0	
Regional	RTS	1147,8	0,1	-0,4	RUS10	7,52	-0,4	-10	USD/RUB	57,446	0,2	-6
	WIG20	2502,34	-0,5	28,5	POL 10	3,31	0,6	-9	EUR/PLN	4,2340	0,0	-3,9
	PX50	1053,8	-0,2	14,3	CZ10	1,43	1,5	206	EUR/RON	4,5852	0,1	1,1
Hungary	BUX	39082	0,4	22,1	3M TB	0,03	0	-13	EUR/HUF	308,00	0,1	-0,3
	OTP	10740	1,2	27,9	1Y	0,04	-2	-14	USD/HUF	261,23	-0,1	-11,0
	MOL	3141	0,4	21,8	3Y	0,51	0	-35	CHF/HUF	265,98	-0,5	-7,6
	MTelekom	474	-0,6	-4,8	5Y	1,24	0	-53	PLN/HUF	72,690	0,1	3,8
	Richter	6600	-0,4	6,3	10Y	2,57	3	-63	GBP/HUF	344,84	0,0	-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. 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.	1127,0	1175	1180
	14 : 30	US	Building permits (annualized monthly, '000s)	Sept.	1215,0	1255	1272
	20 : 00	US	Beige Book	Oct.	-	-	-
19.	4 : 00	CN	Infrastructural investments (yoy, %)	Sept.	7,5	7,7	8
	4 : 00	CN	Industrial production (yoy, %)	Q3	6,6	6,2	6,0
	9 : 00	CN	Retail sales (yoy, %)	Aug.	10,3	10,2	10,1
	4 : 00	CN	GDP (yoy, %)	Sept.	6,8	6,8	6,9
	4 : 00	CN	GDP (qoq, %, SA)	Sept.	1,7	1,7	1,8
	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

Chief Economist
Gergely Tardos
tardosg@otpbank.hu
+36 1 374 7273

Analyst
Gábor Pellényi
pellenyig@otpbank.hu
+36 1 374 7276

Disclaimer

OTP Bank Plc. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This material is only for information purposes and it is not intended as an investment advice, an offer or solicitation for the purchase or sale of any financial instrument, and it does not constitute legal, tax or accounting advice.

Information herein reflects the market situation at the time of writing. It provides only momentary information and may change as market conditions and circumstances develop. Additional information may be available on request. Although the information in this document has been prepared in good faith from sources which OTP Bank believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. Opinions and estimates constitute our judgment and are subject to change without notice. OTP Bank may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments is made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. Any concrete individual decision or investment made based on this publication is the sole risk of the Client and OTP Bank shall not be held responsible for the success of the investment decisions or for attaining the Client's target.

Figures described herein refer to the past and past performance is not a reliable indicator of future results.

OTP Bank Plc. (registered seat: Nádor utca 16., Budapest H-1051, Hungary. Supervisory authority: Magyar Nemzeti Bank (National Bank of Hungary – H-1013 Budapest, Krisztina krt. 39.sz.) PSZÁF licence numbers: III/41.003-22/2002 and E-III/456/2008. For more information, please refer to: <https://www.otpbank.hu/portal/hu/Megtakaritas/Ertekpapir/MIFID>). All rights reserved. This publication is exclusively owned by OTP Bank Plc., no part of this material can be reproduced, re-used or disseminated without the prior written consent of OTP Bank Plc.

If you received this document from OTP Bank Plc, then it was sent to you with your previous consent. You may withdraw this permission by sending an e-mail to research@otpbank.hu or writing a letter addressed to "Research Center" Hungary 1051, Budapest Nádor utca. 21. Please refer to your name and e-mail address in both cases.

Disclaimer for OTP Bank Romania S.A. customers

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centred on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to csaba.balint@otpbank.ro or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.