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Global Daily Report

Summary

- Europe's stock markets were rather reserved on Monday, the CEE region was more optimistic.
- America's benchmark indices hit new highs, driven by M&A news.

Most indices in Western Europe closed in negative territory, or at near-zero levels yesterday. The Stoxx600 edged 0.1% higher, while the DAX inched down 0.1%, despite the better-than-expected German factory goods orders data. The Stoxx600's banks index shed 0.4%, and Société Générale's nose-dive continued. Investors, disappointed by the bank's earnings figures, continued to sell its shares, which extended Friday's 4% fall by 3.7% on Monday. Italy's big banks also closed in the red, as did Spain's leading financial institutions: Banco Santander sank 1.2%. There are early indications that Spain's economy is adversely affected by the political uncertainty caused by Catalonia's declaration of independence: the services PMI (purchasing managers' index) deteriorated in October, and consumer confidence subsided. On Monday the IBEX lost 0.4%.

Amid the buoyant session in the CEE region, the BUX advanced 0.9%, the WIX added 0.8%, and the PX upped 0.4%.

Monday's trading session ended with slight gains in the USA, where the Dow climbed 4 bps, and the S&P nudged 0.1% higher. The NASDAQ Composite and NASDAQ100 gained 0.3% each; these three indices broke new records. The energy and the real property sectors were the strongest ones, while consumer staples and base material companies were the losers of the day. Telephone service providers were also among the losers after merger talks between Sprint and T-Mobile US failed. The share prices of Sprint nose-dived 12% and T-Mobile plunged 6%, dragging down Verizon (-4.0%) and AT&T (1.3%) too. Broadcom, the chip manufacturer, announced to buy its rival Qualcomm – the news sent the two manufacturers' share prices 1.4% and 1.2% higher, respectively. On the back the better-than-expected quarterly results, Michael Kors' share price soared 15% yesterday. The quarterly earnings figures of Coca-Cola and Snap will be out in the USA today; in Germany, BMW will publish its quarterly result.

This morning most of Asia's stock indices closed higher, except South Korea. After hitting 21-year record high on Monday, the Nikkei continued its dynamic growth; it closed 1.7% higher this morning, at a level unseen since 1992, mainly benefiting electronic and machinery companies' gains. A number of companies published their reports today. One of them, Toyota posted better-than-expected profit figure, yet it crept only 0.2% higher.

Oil prices rose further on Monday: the Brent surged 3.5%, to exceed 64 USD/barrel, while WTI advanced 3.0%, to a level last seen in June 2015. Gold price grew 0.9% and copper increased by 1.4%. The USD's ailing continued, causing a noticeable change in the USD/GBP (0.7%) and the USD/JPY (0.3%).

The September reading of German factory goods orders, released yesterday, surprised on the upside: instead of *contracting* more than 1% as forecast, the seasonally adjusted month/month gauge signified 1% *growth*, while the August figure was revised higher (from 3.5% to 4.1%). In year/year comparison, demand expanded by 9.5%. Moreover, investor confidence indicators also suggest that manufacturing is likely to expand further. Today industrial production statistics, as well as construction PMI data will see the light of day in Germany.

	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	2591,1	0,1	15,7	VIX	9,4	2,8	-33	WTI	57,35	3,1	6,8
	DOW	23548,4	0,0	19,2	US 2Y	1,62	-0,4	42	Brent	64,27	3,5	13,1
	Nasdaq100	6313,6	0,3	29,8	US 10Y	2,32	-2,3	-11	Gold	1281,5	0,9	11,3
	DAX	13468,8	-0,1	17,3	GER 2Y	-0,76	-1,1	3	Silver	17,23	2,5	8,1
	CAC40	5507,3	-0,2	13,3	GER 10Y	0,34	-2,9	13	EUR/USD	1,1609	0,0	10,4
	FTSE 100	7562,3	0,0	5,9	PT10Y	2,03	-3,0	-173	EUR/GBP	0,8812	-0,7	3,5
	FTSE MIB	23002,9	0,0	19,6	IT 10Y	1,78	-0,3	-4	EUR/NOK	9,4426	-0,5	3,9
	Stoxx600	396,6	0,1	9,7	SP 10	1,46	-1,2	7	USD/CAD	1,2702	-0,5	-5,4
	- Banks	158,8	-0,7	18,4	ITRAXX	49,5	0,3	-32	AUD/USD	0,7690	0,5	6,6
	Nikkei 225	22937,6	1,7	20,0	JPY 2Y	-0,19	-0,9	-1	USD/JPY	113,68	-0,3	-2,7
SSEC	3368,8	-0,6	8,5	JPY 10Y	0,03	0,1	-2	GBP/USD	1,3170	0,7	6,8	
Regional	RTS	1109,4	0,0	-3,7	RUS10	7,63	0,0	-9	USD/RUB	58,249	-1,4	-5
	WIG20	2515,34	0,8	29,1	POL 10	3,45	-1,0	-5	EUR/PLN	4,2374	-0,2	-3,8
	PX50	1055,6	0,4	14,5	CZ10	1,60	0,9	242	EUR/RON	4,5883	-0,1	1,2
Hungary	BUX	40116	0,9	25,3	3M TB	0,03	0	-13	EUR/HUF	310,80	0,1	0,6
	OTP	10575	-0,9	25,9	1Y	0,06	0	-12	USD/HUF	267,58	0,0	-8,8
	MOL	3226	1,8	25,1	3Y	0,54	0	-32	CHF/HUF	268,23	0,3	-6,8
	MTelekom	477	1,7	-4,2	5Y	1,24	-1	-53	PLN/HUF	73,310	0,1	4,7
	Richter	6842	0,5	10,2	10Y	2,43	-3	-77	GBP/HUF	352,48	0,7	-2

* 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 11. 6.	8 : 00	DE Industrial orders (mom, %)	Sept.	1,0	-1,5	4,1
	10 : 30	EZ Sentix Investor confidence (points)	Nov.	34,0	30,8	29,7
7.	8 : 00	DE Industrial production (mom, %)	Sept.	-1,6	-0,8	2,6
	9 : 00	HU Retail sales (first estimate, yoy, %)	Sept.		-	4,7
	11 : 00	HU International reserves (preliminary, EURbn)	Oct.		-	22,2
	11 : 00	EZ Retail sales (mom, %)	Sept.		0,6	-0,5
	11 : 00	HU Fiscal balance (monthly, billion HUF)	Oct.		-	-256,4
	14 : 00	RO Interest rate decision (%)	Nov.		1,8	1,8
	0 : 0	EZ Speech of Mario Draghi	-		-	-
8.	4 : 00	CN Export (yoy, %)	Oct.		-	8,1
	4 : 00	CN Import (yoy, %)	Oct.		-	18,7
	9 : 00	HU Industrial production (preliminary, yoy, %)	Sept.		-	6,8
	9 : 00	HU Trade balance (preliminary, monthly, EUR mn)	Sept.		-	458,0
	14 : 00	PL Interest rate decision (%)	Nov.		-	1,5
9.	8 : 00	DE Export (mom, %)	Sept.		-1,1	3,1
	9 : 00	HU Inflation (yoy, %)	Oct.		-	2,5
	9 : 00	HU Core inflation (yoy, %)	Oct.		-	2,9
	11 : 00	EU EC Economic Forecast	-		-	-
10.	10 : 30	UK Industrial production (mom, %)	Sept.		0,3	0,2
	16 : 00	US Michigan Consumer confidence (preliminary, points)	Nov.		101	101
	0 : 0	HU Fitch Credit Rating Decision	-		-	BBB- (stabil)

Source: Reuters, OTP Research

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