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Global Daily Report

Summary

- Stock markets extended their losses on Wednesday
- Commodity prices sank due to demand concerns
- US retail sales and inflation data were reassuring

Global stock markets opened on a weak note on Wednesday. Apparently, the slip in commodity prices and the uncertainty around demand prospects prompted investors to take profits. Accordingly, energy and commodity companies underperformed yesterday. The coup in Zimbabwe may also have fretted investors. However, the afternoon's release of US macroeconomic data surprised on the upside, and triggered a pick-up in indices. But the sentiment went sour in the evening as two Republican senators in Washington criticized their party's tax reform bill, and concerns re-surfaced that the package may not be approved. As a result, the major stock markets closed in the red. In Europe, Deutsche Bank and Commerzbank were among the handful of winners, on the back of news that the Cerberus private equity fund bought a 3% stake in Deutsche Bank, after a similar purchase into Commerzbank. This move adds to chances that the two German big banks may merge after a while. Both shares closed 2.1% higher yesterday.

Asia's stock markets have already picked up mostly, and the S&P futures were also seen higher this morning.

Most commodity prices sank yesterday, partly owing to the expectations that China's economy may be slowing. News that US inventory data have been rising for the second week in a row, indicating oversupply, has weighed in oil prices. Wednesday morning's increase in gold price reversed after the publication of American macroeconomic statistics.

The key currency pairs changed little on Wednesday. Government bond yields dropped in developed economies.

The macrodata published in the America on Wednesday afternoon were reassuring. Surprisingly, retail sales rose in October, and the September reading was revised higher. That said, the Empire State Manufacturing Index confidence indicator missed expectations. US core inflation in October has beaten analysts' poll – and this may calm the Fed's hesitant decision-makers, and add to the probability of a December interest rate hike. On Thursday, the USA will release industrial production statistics. In Europe, Britain's retail sales figures will see the light of day. The eurozone's inflation data is not expected to cause surprise against the preliminary estimate.

	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	2564,6	-0,6	14,6	VIX	13,1	13,3	-6	WTI	55,33	0,5	3,0
	DOW	23271,3	-0,6	17,8	US 2Y	1,69	0,0	49	Brent	61,84	-0,6	8,8
	Nasdaq100	6258,4	-0,6	28,7	US 10Y	2,38	0,0	-5	Gold	1279,0	-0,1	11,1
	DAX	12976,4	-0,4	13,0	GER 2Y	-0,75	-0,5	4	Silver	16,99	-0,1	6,6
	CAC40	5301,3	-0,3	9,0	GER 10Y	0,38	-1,8	17	EUR/USD	1,1791	0,0	12,2
	FTSE 100	7372,6	-0,6	3,2	PT10Y	1,99	1,9	-177	EUR/GBP	0,8950	-0,1	5,1
	FTSE MIB	22158,9	-0,6	15,2	IT 10Y	1,82	-0,2	0	EUR/NOK	9,7182	0,7	7,0
	Stoxx600	382,0	-0,5	5,7	SP 10	1,55	1,2	15	USD/CAD	1,2761	0,3	-5,0
	- Banks	159,1	0,5	18,6	ITRAXX	52,7	0,0	-27	AUD/USD	0,7587	-0,6	5,2
	Nikkei 225	22351,1	1,5	16,9	JPY 2Y	-0,19	-0,4	-1	USD/JPY	112,86	-0,5	-3,4
SSEC	3368,8	-1,0	8,5	JPY 10Y	0,04	0,1	-1	GBP/USD	1,3168	0,0	6,7	
Regional	RTS	1116,5	-1,8	-3,1	RUS10	7,71	-0,5	-8	USD/RUB	60,222	-0,4	-2
	WIG20	2418,96	-1,8	24,2	POL 10	3,43	-0,5	-5	EUR/PLN	4,2404	-0,1	-3,7
	PX50	1052,9	-0,9	14,2	CZ10	1,74	0,1	273	EUR/RON	4,6353	-0,1	2,2
Hungary	BUX	38615	-1,3	20,7	3M TB	0,03	0	-13	EUR/HUF	312,09	0,1	1,1
	OTP	9950	-1,5	18,5	1Y	0,06	0	-12	USD/HUF	264,61	0,2	-9,8
	MOL	3068	-2,7	18,9	3Y	0,63	-2	-23	CHF/HUF	267,66	0,3	-7,0
	MTelekom	470	-0,6	-5,6	5Y	1,21	-4	-56	PLN/HUF	73,540	0,3	5,0
	Richter	6932	0,3	11,6	10Y	2,27	-6	-93	GBP/HUF	348,44	0,3	-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 11. 13.	9 : 00	HU Construction output (yoy, %)	Sept.	23,8	-	4,1
	9 : 00	HU Industrial production (second estimate, yoy, %)	Sept.	5,4	-	5,4*
	20 : 00	US Federal budget balance (USDbn)	Oct.	-63,2	-50,0	8,0
14.	3 : 00	CN Infrastructural spending (yoy, %)	Oct.	7,3	7,4	7,5
	3 : 00	CN Industrial production (yoy, %)	Oct.	6,2	6,3	6,6
	3 : 00	CN Retail sales (yoy, %)	Oct.	10,0	10,4	10,3
	8 : 00	DE CPI (final, yoy, %)	Oct.	1,5	1,6	1,6*
	8 : 00	DE GDP (preliminary, yoy, %)	Q3	2,8	2,2	2,2
	8 : 00	DE GDP (preliminary, qoq, %)	Q3	0,8	0,6	0,6
	8 : 00	RO GDP (preliminary, yoy, %)	Q3	8,8	5,8	6,1
	9 : 00	CZ GDP (preliminary, yoy, %)	Q3	5,0	-	4,7
	9 : 00	HU GDP (preliminary, yoy, %)	Q3	3,6	3,7	3,2
	9 : 00	HU GDP (preliminary, qoq, %)	Q3	0,8	0,7	0,9
	9 : 00	SK GDP (preliminary, yoy, %)	Q3	3,3	3,4	3,3
	10 : 00	IT GDP (preliminary, yoy, %)	Q3	1,8	1,6	1,5
	10 : 00	PL GDP (preliminary, yoy, %)	Q3	4,7	4,4	3,9
	10 : 30	UK Inflation (yoy, %)	Oct.	3,0	3,1	3,0
10 : 30	UK Core inflation (yoy, %)	Oct.	2,7	2,8	2,7	
11 : 00	EZ Industrial production (mom, %)	Sept.	-0,6	-0,5	1,4	
11 : 00	DE ZEW Economic Sentiment (points)	Nov.	18,7	19,2	17,6	
11 : 00	EZ GDP (second estimate, yoy, %)	Q3	2,5	2,5	2,5*	
11 : 00	EZ GDP (second estimate, qoq, %)	Q3	0,6	0,6	0,6*	
		EZ ECB Communications Conference		-	-	-
15.	0 : 50	JP GDP (preliminary, qoq, %)	Q3	0,3	0,3	0,6
	14 : 30	US CPI (yoy, %)	Oct.	2	2,0	2,2
	14 : 30	US CPI (mom, %)	Oct.	0,1	0,1	0,5
	14 : 30	US core-CPI (yoy, %)	Oct.	1,8	1,7	1,7
	14 : 30	US core-CPI (mom, %)	Oct.	0,2	0,2	0,1
	14 : 30	US Retail sales (mom, %)	Oct.	0,2	0,1	1,9**
	14 : 30	US New York Fed Manufacturing index (points)	Nov.	19,4	27,0	30,2
16 : 00	US Business inventories (mom, %)	Sept.	0	0,0	0,6**	
16.	10 : 30	UK Retail sales (mom, %)	Oct.		0,0	-0,8
	11 : 00	EZ CPI (final, yoy, %)	Oct.		1,4	1,4*
	15 : 15	US Industrial production (mom, %)	Oct.		0,5	0,3
17.	14 : 30	US Housing starts (annualized monthly, '000s)	Oct.		1190	1127
	14 : 30	US Building permits (annualized monthly, '000s)	Oct.		1247	1225

* preliminary data, **revised data

Source: Reuters, OTP Research

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