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# Global Daily Report

### Summary

- Western Europe's stock markets headed higher despite the collapse of German coalition talks.
- German events weakened the EUR, the EUR/HUF exceeded 312.
- Today's meeting of the MNB's Monetary Council is likely to leave the base rate on hold in Hungary.

Even though German coalition talks collapsed at the weekend, it did not leave a lasting mark on investor sentiment in Germany or in broader Western Europe. On Monday the DAX reversed from a 0.5% loss, to a comparable gain. German carmakers fared well (BMW: 0.5%, Daimler: 0.9%, Volkswagen: 4.2%) after Volkswagen said it expected 25% growth in this year's operating profit, up from the previous estimate of 20% this spring. The share price of Germany's RWE energy supplier jumped almost 3%, following a Reuters report that it was to reduce its EUR 16.8 billion stake in its retail arm Innogy; and a deal with Enel (Europe's top electric energy supplier by market value) may also be in the cards. The Swiss pharmaceutical company Roche rallied nearly 6%, owing to the success of its two drugs in late-stage trials. The Stoxx600 added 0.7% and the FTSE edged 0.1% higher yesterday.

In the CEE region, Warsaw's WIG rose by 1.0%, the Prague index shed 0.1%, and BUX closed 0.2% higher.

Trading in America was cautiously optimistic on Monday, only the NASDAQ100 closed slightly in the red. The S&P500 added 0.1% as the gains of the financial, industry and technology sectors were reduced by the losses of healthcare and utilities. In the most popular technology shares, Netflix rallied 0.5%, Microsoft upped 0.2%, while Apple, Alphabet and Facebook all contracted. Chipmakers, communication and networking hardware manufacturers all did well – AT&T remained in the green (+0.4%) even though the US Department of Justice may block its takeover of Time Warner; its rival Verizon profited +1.7% from the report.

Chile's IPSA index fell 5.9% yesterday, in its worst performance in six years. The results of the first round of the presidential election on Sunday suggest that on 17 December the race will be tight between Sebastián Piñera (37% of the votes) the billionaire businessman and former president between 2010 and 2014, and Alejandro Guillier, who came second with 23% of the votes.

Asia's markets picked up from Monday's loss, and were sanguine this morning. The Nikkei grew 0.7%, the Shanghai Composite added 0.4%, and the Hang Seng was seen gaining 1.1% this morning. The JPY seems to be recovering from Monday's 0.5% drop.

The collapse of the coalition talks in Germany sent the euro down; the EUR/USD fell 3%, to 1.1731 yesterday. The EUR weakened 0.6% against the GBP. The GBP also appreciated somewhat against the USD as well.

On commodity markets, oil prices slightly dropped on Monday, with the WTI sinking 0.8% and the Brent dipping 0.9%. Precious metals shone somewhat brighter, while industrial metals moved in mixed directions.

In Hungary, today's meeting of the MNB's Monetary Council is likely to leave the base rate on hold but may announce new measures.

Today's important publications include US existing home sales statistics.

	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	2582,1	0,1	15,3	VIX	10,7	-6,8	-24	WTI	56,42	-0,5	5,0
	DOW	23430,3	0,3	18,6	US 2Y	1,76	2,5	56	Brent	62,22	-0,8	9,5
	Nasdaq100	6308,6	-0,1	29,7	US 10Y	2,37	1,6	-6	Gold	1276,6	-1,4	10,9
	DAX	13058,7	0,5	13,7	GER 2Y	-0,71	0,1	8	Silver	16,91	-2,3	6,1
	CAC40	5340,5	0,4	9,8	GER 10Y	0,36	-0,4	15	EUR/USD	1,1732	-0,5	11,6
	FTSE 100	7389,5	0,1	3,5	PT10Y	1,97	-2,0	-179	EUR/GBP	0,8863	-0,6	4,1
	FTSE MIB	22189,3	0,4	15,4	IT 10Y	1,81	-2,2	-1	EUR/NOK	9,7290	0,1	7,1
	Stoxx600	386,4	0,7	6,9	SP 10	1,52	-3,6	13	USD/CAD	1,2818	0,4	-4,6
	- Banks	158,2	-0,2	18,0	ITRAXX	51,5	0,0	-29	AUD/USD	0,7549	-0,2	4,6
	Nikkei 225	22416,5	0,7	17,3	JPY 2Y	-0,20	-0,4	-2	USD/JPY	112,62	0,5	-3,6
SSEC	3368,8	-0,7	8,5	JPY 10Y	0,03	-0,8	-2	GBP/USD	1,3233	0,2	7,3	
Regional	RTS	1128,7	-0,3	-2,0	RUS10	7,70	0,4	-8	USD/RUB	59,385	0,5	-3
	WIG20	2468,09	1,0	26,7	POL 10	3,44	1,0	-5	EUR/PLN	4,2287	-0,1	-4,0
	PX50	1053,6	-0,1	14,3	CZ10	1,74	0,8	273	EUR/RON	4,6454	0,2	2,4
Hungary	BUX	39359	0,2	23,0	3M TB	0,04	0	-12	EUR/HUF	312,30	0,2	1,1
	OTP	9980	-0,4	18,8	1Y	0,06	0	-12	USD/HUF	266,11	0,7	-9,3
	MOL	3210	0,3	24,4	3Y	0,66	2	-20	CHF/HUF	267,78	0,2	-7,0
	MTelekom	469	-0,2	-5,8	5Y	1,25	0	-52	PLN/HUF	73,820	0,3	5,4
	Richter	6990	0,6	12,6	10Y	2,32	1	-88	GBP/HUF	352,19	0,9	-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. 20.	16 : 00	US	Leading index (mom, %)	Oct.	1,2	0,3	4,1
	21. 14 : 00	HU	Interest rate decision (%)	Nov.		0,9	0,9
	16 : 00	US	Existing home sales (mom, %)	Oct.		5420	5390
22.	9 : 00	HU	Gross wages (yoy, %)	Sept.		-	13,2
	14 : 30	US	Durable goods orders (mom, %)	Oct.		0,5	2,0
	16 : 00	EZ	Consumer confidence index (flash, points)	Nov.		-0,5	-1,0
	20 : 00	US	FOMC Minutes	Nov.		-	-
23.	8 : 00	DE	GDP (detailed, qoq, %)	Q3		0,8	0,8*
	8 : 00	DE	GDP (detailed, yoy, %)	Q3		2,8	2,8*
	9 : 00	HU	Retail sales (second estimate, yoy, %)	Sept.		-	5,4*
	9 : 00	FR	Markit Service PMI (points)	Nov.		57,0	57,4
	9 : 00	FR	Markit Manufacturing PMI (points)	Nov.		55,9	56,7
	9 : 30	DE	Markit Service PMI (points)	Nov.		55,0	55,2
	9 : 30	DE	Markit Manufacturing PMI (points)	Nov.		60,4	60,5
	10 : 00	EZ	Markit Service PMI (points)	Nov.		55,1	54,9
	10 : 00	EZ	Markit Manufacturing PMI (points)	Nov.		58,4	58,6
	13 : 30	EZ	ECB Minutes	Oct.		-	-
24.	1 : 30	JP	Nikkei Manufacturing PMI (points)	Nov.		-	52,8
	10 : 00	DE	IFO Economic sentiment index (points)	Nov.		116,5	116,7
	15 : 45	US	Markit Service PMI (points)	Nov.		-	55,3
	15 : 45	US	Markit Manufacturing PMI (points)	Nov.		54,7	54,6

\* preliminary data

Source: Reuters, OTP Research

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