

# Global Daily Report



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### Summary

- Europe's stock indices continued their losing streak.
- US markets unexpectedly nose-dived.
- Russia warns to take counter-measures if the US withdraws from the INF agreement.
- The ECB's Governing Council is meeting today to set monetary policy.

On Wednesday morning Europe's indices inched higher, shrugging off news on the worse-than-expected Markit purchasing managers' indices, but lost steam in the afternoon. Only the UK's FTSE100 could preserve some of the gain. Deutsche Bank (-4.8%) released its Q3 earnings figures before market hours; the bank's pale profit figures disappointed investors who made it the weakest name in the DAX (-0.7%) yesterday.

US indices fell sharply ahead of the close as the weak corporate earnings reports disheartened investors, and the new home sales statistics missed expectations. Political conflicts have intensified too: Russia's President warned of counter-measures if the USA withdraws from the INF treaty, under which parties would eliminate intermediate-range nuclear forces. Amid the painful losses on Wall Street, the Nasdaq100 saw the sharpest fall (-4.6%) amid the uncertainty surrounding the Q3 performance of technology companies. One of the few names to see gains within the Dow was Boeing (+1.31%), whose management raised its profit guidance for this year in its earnings report. One week ahead of schedule, Tesla also published its Q3 results, which surpassed analysts' forecasts. It has become the first carmaker to reach gains by manufacturing electric cars.

The pessimism in Western Europe left its mark on the CEE region's indices. The worst of them was the Budapest Stock Exchange (-2%), which resumed trading yesterday after a four-day-long weekend.

The CEE region's currencies depreciated versus the euro and the US dollar yesterday. Among emerging currencies, the Turkish lira was the strongest performer, working off Tuesday's loss. The EUR/USD slipped below 1.14 as the US dollar advanced against the euro.

The 10Y US Treasury note yield dropped again, to 3.11%.

In line with the hectic trading on stock markets, gold prices ground higher. Meanwhile crude oil prices extended their losses.

Wednesday's gloom spread to Asia, where this morning's trading ended with sharp falls. The weakest link, Japan's Nikkei225 slid nearly 4%. The USD/JPY is trading water after the yen's appreciation on Wednesday.

Today's important events include the European Central Bank's and the Central Bank of Turkey's rate decisions. It is also a busy day in the corporate world, with Twitter, Intel, Amazon, and Alphabet (Google's parent company) all releasing their preliminary earnings figures for the third quarter.

	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	2656,1	-3,1	-0,7	VIX	25,2	21,8	129	WTI	66,2	-0,4	9,5
	DOW	24583,4	-2,4	-0,5	US 2Y	2,84	-4	96	Brent	76,17	-0,4	13,9
	Nasdaq100	6789,2	-4,6	6,1	US 10Y	3,11	-6	71	Gold	1233,6	0,3	-5,3
	DAX	11191,6	-0,7	-13,4	GER 2Y	-0,67	-3	-4	Silver	14,64	-0,6	-13,6
	CAC40	4953,1	-0,3	-6,8	GER 10Y	0,39	-3	-3	EUR/USD	1,14	-0,7	-5,0
	FTSE 100	6963,0	0,1	-9,4	PT10Y	1,99	-3	6	EUR/GBP	0,88	0,1	-0,5
	FTSE MIB	18485,5	-1,7	-15,4	IT 10Y	3,61	4	162	EUR/NOK	9,51	0,0	-3,4
	Stoxx600	353,3	-0,2	-9,2	SP 10	1,65	-3	8	USD/CAD	1,31	-0,2	3,8
	- Banks	119,2	-1,9	-27,8	iTRAXX	76,2	0,6	69	AUD/USD	0,71	-0,4	-9,5
	Nikkei 225	21268,7	-3,7	-6,6	JPY 2Y	-0,12	0	2	USD/JPY	112,25	-0,2	-0,4
	SSEC	2571,7	-1,2	-22,2	JPY 10Y	0,11	-2	6	GBP/USD	1,29	-0,8	-4,7
Regional	RTS	1125,1	1,6	-2,5	RUS10	8,6	0,1	13	USD/RUB	65,634	0,2	13,8
	WIG20	2144,4	-0,2	-12,9	POL 10	3,2	-0,7	-4	EUR/PLN	4,31	0,3	3,2
	PX50	1062,2	0,2	-1,5	CZ10	2,2	0,1	42	EUR/RON	4,657	-0,1	-0,4
Hungary	BUX	36453	-2,0	-7,4	3M DKJ	0,01	-1	-3	EUR/HUF	323,32	0,1	4,1
	OTP	10250	-1,0	-4,4	1Y	0,35	0	30	USD/HUF	283,82	0,8	9,7
	MOL	2874	-3,7	-4,4	3Y	1,72	-5	117	CHF/HUF	284,53	0,8	7,4
	MTelekom	391	-0,4	-14,6	5Y	3,21	-6	204	PLN/HUF	75,00	-0,3	1,0
	Richter	5270	-1,5	-22,3	10Y	3,77	-7	172	GBP/HUF	365,50	0,2	4,6

\* In the case of bond yields, the change is in basis points instead of percentage (VIX and ITRAXX not included).

Sources: Reuters, OTP Research

Data		Cd.	Event/Data	Period	Fact	Cons.	Prev.
2018 10. 23.	16 : 00	EZ	Consumer confidence (point)	Oct	-2,7	-3,2	-2,9
	24. 2 : 30	JP	Nikkei Manufacturing PMI (points)	Oct	53,1	-	52,5
	9 : 15	FR	Markit Manufacturing PMI (points)	Oct	51,2	52,4	52,5
	9 : 15	FR	Markit Service PMI (points)	Oct	55,6	54,7	54,80
	9 : 30	DE	Markit Manufacturing PMI (points)	Oct	52,3	53,4	53,7
	9 : 30	DE	Markit Service PMI (points)	Oct	53,6	55,5	55,9
	10 : 00	EZ	Markit Manufacturing PMI (points)	Oct	52,1	53,0	53,2
	10 : 00	EZ	Markit Service PMI (points)	Oct	53,3	54,5	54,7
	15 : 45	US	Markit Manufacturing PMI (points)	Oct	55,9	55,5	55,6
	15 : 45	US	Markit Service PMI (points)	Oct	54,7	54,0	53,5
	16 : 00	CA	Interest rate decision (%)	Oct	1,75	1,75	1,50
	16 : 00	US	New home sales (annualized monthly, '000s)	Sept	553	625	629
	25. 10 : 00	DE	IFO Economic sentiment index (points)	Oct		103,1	103,7
	13 : 00	TR	Interest rate decision (deposit rate, %)	Oct		-	22,5
	13 : 00	TR	Interest rate decision (lending rate, %)	Oct		-	25,5
	13 : 45	EZ	Interest rate decision (deposit rate, %)	Sept		0,0	0,0
	13 : 45	EZ	Interest rate decision (lending rate, %)	Sept		-0,4	-0,4
	14 : 30	US	Durable goods orders (mom, %)	Sept		-1,0	4,4
	16 : 00	US	Pending home sales (mom, %)	Sept		-0,1	-1,8
	23 : 00	US	Vehicle sales (annualized monthly, million)	Sept		16,9	16,7
	26. 14 : 30	US	GDP (preliminary, annualized qoq, %)	Q3		3,3	4,1

Sources: Reuters, OTP Research

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