

# Global Daily Report



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### Summary

- Tuesday's trading sentiment was benign on both sides of the Atlantic
- The USA is prepared to sign bilateral agreements with the UK, the EU and Japan
- Germany released disappointing statistics.

In Tuesday's supportive sentiment on America's stock markets, the Dow and the S&P added 1.8% each, and the Nasdaq surged 2.4%. The growth was benefited from cheering corporate reports and macroeconomic statistics. Recovering from Monday's losses, the tech sector headed the equity market rally. Even the uncertainty caused by the US Department of Treasury's announcement on the currency report could not harm the benign sentiment. Investors are anxious to find out from the report, or the subsequent press briefing, whether the USA calls China a currency manipulator. In the corporate world, one of the biggest winners was Tesla. The electric car makers' stock prices rallied 6.4%, after a federal judge approved the settlements between Elon Musk and US regulators. As a result, Mr Musk will step down as chairman and pay USD 20 million fine.

Stock markets fared well in Europe too: the DAX added 1.4%, the FTSE100 upped 0.4%, and the Stoxx600 gained 1.4%. Italy's FTSE MIB index soared 2.2% even though Italy's 2019 budget will lead to wider budget deficit, thus bring about a new conflict with the European Commission. Despite the favourable sentiment on stock markets, Volvo retreated 4.4% following news that its trucks and buses may fail to meet environmental requirements.

Hungary's central bank raised its gold reserves tenfold, to 31.5 tons. The afternoon's meeting of the MNB's Monetary Council left interest rates unchanged. Hungary's parliament voted to end subsidies for building society funds; such subventions amounted to HUF 62 billion in 2017. The government is planning to enter the market of long-term savings for retirement.

The USA is prepared to sign bilateral agreements with the United Kingdom, the European Union and Japan, US Trade Representative Robert Lighthizer said, without going into details.

Oil prices increased yesterday: the WTI added 0.2% and the Brent upped 0.8%.

Europe's government bond yields sank: that on the 10Y Bund dropped 1.7 basis points and Italy's bond yields fell 9.7 basis points.

US industrial production grew by 0.3% month on month in September, beating analysts' forecast of 0.1% rise. Germany released disappointing figures: the October reading of the ZEW economic sentiment index was at -24.7, a far cry from analysts' projection of -12.

The United Kingdom is to publish inflation statistics for September. Important housing figures are due out in the USA.

	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	2809,9	2,1	5,1	VIX	17,6	-17,3	60	WTI	71,9	0,2	19,0
	DOW	25798,4	2,2	4,4	US 2Y	2,87	0	98	Brent	81,41	0,8	21,7
	Nasdaq100	7276,4	2,9	13,8	US 10Y	3,16	-1	75	Gold	1224,0	-0,2	-6,0
	DAX	11776,6	1,4	-8,8	GER 2Y	-0,60	0	3	Silver	14,64	0,0	-13,6
	CAC40	5173,1	1,5	-2,6	GER 10Y	0,49	-2	6	EUR/USD	1,16	0,0	-3,5
	FTSE 100	7059,4	0,4	-8,2	PT10Y	1,94	-7	1	EUR/GBP	0,88	-0,3	-1,2
	FTSE MIB	19717,8	2,2	-9,8	IT 10Y	3,46	-10	146	EUR/NOK	9,43	-0,1	-4,3
	Stoxx600	365,0	1,6	-6,2	SP 10	1,66	-4	9	USD/CAD	1,29	-0,4	2,8
	- Banks	128,7	0,7	-22,0	iTRAXX	72,5	-2,2	61	AUD/USD	0,71	0,1	-8,5
	Nikkei 225	22790,2	1,1	0,1	JPY 2Y	-0,11	0	2	USD/JPY	112,25	0,4	-0,4
	SSEC	2519,9	-1,0	-23,8	JPY 10Y	0,15	0	10	GBP/USD	1,32	0,3	-2,4
Regional	RTS	1165,9	1,7	1,0	RUS10	8,6	-1,3	13	USD/RUB	65,349	-0,4	13,3
	WIG20	2216,8	2,2	-9,9	POL 10	3,2	-0,1	-2	EUR/PLN	4,28	-0,2	2,6
	PX50	1088,4	0,7	1,0	CZ10	2,2	1,2	44	EUR/RON	4,665	0,1	-0,3
Hungary	BUX	37446	2,4	-4,9	3M DKJ	0,04	-1	0	EUR/HUF	321,75	-0,2	3,6
	OTP	10280	2,4	-4,1	1Y	0,35	-8	30	USD/HUF	277,90	-0,3	7,4
	MOL	3062	3,1	1,9	3Y	1,84	-11	129	CHF/HUF	280,60	-0,5	5,9
	MTelekom	396	0,8	-13,5	5Y	3,38	1	221	PLN/HUF	75,06	-0,1	1,1
	Richter	5390	2,5	-20,5	10Y	3,88	-4	183	GBP/HUF	366,42	0,1	4,9

\* 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. 15.	9 : 00	HU Construction output (yoy, %)	Jul	24,4	-	38,0
	14 : 30	US Retail sales (mom, %)	Sept	0,1	0,6	0,1
	14 : 30	US New York Fed Manufacturing index (points)	Oct	21,1	19,0	19,0
	16 : 00	US Business inventories (mom, %)	Aug	0,5	0,5	0,60
16.	11 : 00	DE ZEW Economic Sentiment (points)	Oct	-24,7	-12,0	-10,6
	14 : 00	HU Interest rate decision (%)	Oct	0,9	0,9	0,9
	15 : 15	US Industrial production (mom, %)	Sept	0,3	0,2	0,4
17.	10 : 30	UK Inflation (yoy, %)	Sept			2,7
	10 : 30	UK Core inflation (yoy, %)	Sept			2,1
	11 : 00	EZ CPI (final, yoy, %)	Sept			2,1*
	14 : 30	US Housing starts (annualized monthly, '000s)	Sept		1 240	1 282
	14 : 30	US Building permits (annualized monthly, '000s)	Sept		1 280	1 249
	20 : 00	US FOMC Minutes	Sept		-	-
18.	10 : 30	UK Retail sales (mom, %)	Sept			0,3
	16 : 00	US Leading index (mom, %)	Sept		0,5	0,4
19.	1 : 30	JP CPI (yoy, %)	Sept		-	1,3
	1 : 30	JP core-CPI (yoy, %)	Sept		1,0	0,9
	4 : 00	CN Industrial production (yoy, %)	Sept		6,0	6,1
	4 : 00	CN Retail sales (yoy, %)	Sept		9,0	9,0
	4 : 00	CN Infrastructural spending (yoy, %)	Sept		5,3	5,3
	4 : 00	CN GDP (yoy, %)	Q3		6,6	6,7
	4 : 00	CN GDP (qoq, %)	Q3		1,6	1,8
	9 : 00	HU Gross wages (yoy, %)	Aug		-	12,8
	16 : 00	US Existing home sales (mom, %)	Sept		5340,0	5340,0

\* preliminary data

Sources: Reuters, OTP Research

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