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Daily Report

Summary

- US benchmark indices hit new highs while Europe's stock markets dropped on Friday.
- The US dollar has slightly firmed.
- Hungary's long-term bond yields have increased, the forint has depreciated.
- Socialists won the early elections in Spain.

Stock indices closed mixed on advanced economies' stock markets Friday, following US President Donald Trump's words that he did not agree to rolling back export tariffs on Chinese goods. In Europe, the Stoxx600 shed 0.3%, the FTSE fell 0.6%, and the DAX dropped 0.5%. In the Stoxx600, only the health care and the utilities sector indices could advance, while mining companies fell noticeably, reflecting Friday's slump in risk appetite. The banking sector was also a weak performer in Western Europe on Friday; France's Credit Agricole subsided more than 2% as its quarterly figures missed expectations. Another French company, Natixis plunged more than 7% on word that it had cut its acquisition budget.

Despite Donald Trump's unsupportive message, America's stock indices picked up by Friday's close, with the S&P, the Dow, and the Nasdaq100 all ending the day at new highs. The Dow upped only six points, but the S&P rose by 0.3%, and the Nasdaq100 climbed 0.4% higher. The S&P ended the fifth consecutive week with gains, marching 0.8% higher over last week; while the Dow and the Nasdaq100 advanced 1.2% last week. Of the S&P's sector indices, health care and technology were the strongest performers, while energy and utilities companies underperformed. Walt Disney's share price jumped 3.8% higher, as its Thursday's earnings figures have beaten expectations. Qualcomm surged 4.5%. In consumer staples, the share price of Gap, the clothing retailer, shrank by 7.6%, after its CEO unexpectedly resigned. So far, 446 of the S&P500 companies have published their Q3 reports, and nearly three in four of them have beaten expectations.

A slight dollar appreciation led the EUR/USD 0.3% lower, to 1.1018; likewise, the GBP weakened 0.3% versus the US dollar. On bond markets, long-term yields moved mixed on Friday: the US 10Y yield climbed two basis points higher, the UK 10Y did not budge, while the German and French benchmarks sank three basis points each.

In Sunday's early elections in Spain, Socialists won 28% of the vote but the PSOE is unlikely to secure absolute majority, making a deadlock the most probable outcome. The People's Party came second, and the far right's Vox ranked third, overtaking the far left's Podemos.

The CEE region's stock markets were ailing on Friday, with Poland's WIG20 sliding 0.7%, Hungary's BUX losing 0.4%, and the Czech PX shedding 0.3%. In Hungary, the quarterly figures of OTP and Richter surpassed expectations. Still, the banking share ended the day 1.2% in the red. Richter and MTelekom added 0.3% each, Mol upped 0.4%. On the secondary market of Hungarian bonds, yields ended the week noticeably higher: 3Y bond yields upped 3 bps, and they increased by 14–24 bps on longer tenors. The forint weakened 0.3% vs the euro and lost 0.5% to the US dollar.

In commodities, Brent and WTI climbed 0.4% and 0.2% respectively. Precious metals fell noticeably, including silver's 2% contraction.

Overall, Asia's stock markets were rather pessimistic this morning, as the after-effects of Friday's reports on the USA-China trade deal reached these markets. Japan's Nikkei was seen 0.3% in the red, and the Shanghai Composite fell 1.8%. The Hang Seng dived nearly 3%; the situation is worsening in Hong Kong where a protester was shot by a police officer. Europe's and America's index futures were in negative territory in pre-market hours this morning.

Today the United Kingdom will release a string of important macroeconomic data, including preliminary GDP data for Q3, as well as industrial production and construction output readings for September. Hungary will release retail sales statistics for September.

	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	3093,1	0,3	23,4	VIX	12,1	-5,2	-53	WTI	57,2	0,2	26,1
	DOW	27681,2	0,0	18,7	US 2Y	1,67	-1	-83	Brent	62,51	0,4	16,2
	Nasdaq100	8255,9	0,4	30,4	US 10Y	1,93	1	-76	Gold	1458,4	-0,6	13,7
	DAX	13228,6	-0,5	25,3	GER 2Y	-0,62	-1	-3	Silver	16,80	-1,8	8,5
	CAC40	5889,7	0,0	24,5	GER 10Y	-0,27	-2	-51	EUR/USD	1,1016	-0,3	-3,9
	FTSE 100	7359,4	-0,6	9,4	PT10Y	0,33	4	-139	EUR/GBP	0,8625	0,0	-4,0
	FTSE MIB	23534,5	0,1	28,4	IT 10Y	1,27	2	-150	EUR/NOK	10,0614	0,0	1,6
	Stoxx600	405,4	-0,3	20,1	SP 10	0,40	1	-102	USD/CAD	1,3228	0,4	-3,0
	- Banks	115,0	-1,5	1,7	iTRAXX	49,3	1,5	-44	AUD/USD	0,6859	-0,6	-2,7
	Nikkei 225	23331,8	-0,3	16,6	JPY 2Y	-0,19	-2	-5	USD/JPY	109,27	0,0	-0,3
SSEC	2910,0	-1,8	16,7	JPY 10Y	-0,06	-1	-7	GBP/USD	1,2770	-0,3	0,1	
Regional	RTS	1468,2	-1,3	37,4	RUS10	6,4	1	-26	USD/RUB	63,773	0,4	-8,5
	WIG20	2255,46	-0,7	-0,9	POL 10	2,2	3	-23	EUR/PLN	4,27	0,2	-0,5
	PX50	1078,3	-0,3	9,3	CZ10	1,6	5	-16	EUR/RON	4,762	0,1	2,4
Hungary	BUX	43441	-0,4	11,0	3M DKJ	0,09	0	2	EUR/HUF	333,57	0,3	3,9
	OTP	14040	-1,2	24,4	1Y	0,04	0	-41	USD/HUF	302,45	0,5	8,1
	MOL	3044	0,4	-1,1	3Y	0,46	2	-80	CHF/HUF	303,76	0,4	6,4
	MTelekom	439	0,3	-0,3	5Y	1,12	15	-141	PLN/HUF	78,25	0,1	4,9
	Richter	5590	0,3	2,9	10Y	2,25	22	-79	GBP/HUF	387,09	0,2	8,7

* 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.
2019 11. 11. 9 : 00	HU	Trade balance (preliminary, monthly, EUR mn)	Sept		210	60
10 : 30	UK	GDP (preliminary, YoY, %)	Q3		1,1	1,3
12. 11 : 00	DE	ZEW Economic Sentiment (points)	Nov		-17,9	-22,8
13. 9 : 00	HU	Industrial production (second estimate, YoY, %)	Sept			11,1*
10 : 30	UK	Inflation (YoY, %)	Oct		1,7	1,7
10 : 30	UK	Core inflation (YoY, %)	Oct		1,7	1,7
11 : 00	EZ	Industrial production (MoM, %)	Sept		-0,3	0,4
14 : 30	US	CPI (YoY, %)	Oct		1,7	1,7
14 : 30	US	CPI (MoM, SA, %)	Oct		0,3	0,0
14 : 30	US	core-CPI (YoY, %)	Oct		2,4	2,4
14 : 30	US	core-CPI (MoM, SA, %)	Oct		0,2	0,1
20 : 00	US	Federal budget balance (USDbn)	Oct			83,0
14. 0 : 50	CZ	GDP (preliminary, QoQ, %)	Q3		0,2	0,3
3 : 00	CN	Industrial production (YoY, %)	Oct		5,4	5,8
3 : 00	CN	Retail sales (YoY, %)	Oct		8	8
3 : 00	CN	Infrastructural spending (YoY, %)	Oct		5	5
8 : 00	DE	GDP (preliminary, QoQ, %)	Q3		-0,1	-0,1
8 : 00	RO	GDP (preliminary, YoY, %)	Q3			4,4
9 : 00	CZ	GDP (preliminary, QoQ, %)	Q3			0,7
9 : 00	HU	GDP (preliminary, YoY, %)	Q3		4,7	4,9
9 : 00	HU	GDP (preliminary, QoQ, %)	Q3			1,1
9 : 00	SK	GDP (preliminary, YoY, %)	Q3		2,3	2,0
10 : 00	PL	GDP (preliminary, YoY, %)	Q3			4,5
10 : 30	UK	Retail sales (MoM, %)	Oct		0	0
10 : 30	PT	GDP (preliminary, YoY, %)	Q3			1,8
11 : 00	EZ	GDP (second estimate, YoY, %)	Q3		1,1	1,1*
11 : 00	EZ	GDP (second estimate, QoQ, %)	Q3		0,2	0,2*
14 : 30	US	Continuing jobless claims ('000s)	weekly			1689
14 : 30	US	Initial jobless claims ('000s)	weekly			211
15. 11 : 00	EZ	CPI (final, YoY, %)	Oct		0,7	0,7*
14 : 30	US	New York Fed Manufacturing index (points)	Nov		4,0	4,0
14 : 30	US	Retail sales (MoM, %)	Oct		0,2	-0,3
15 : 15	US	Industrial production (MoM, %)	Oct		-0,3	-0,4
16 : 00	US	Business inventories (MoM, %)	Sept		0,1	0,0

* preliminary data

Sources: Reuters, OTP Research

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