

Summary

- Pessimism ruled Monday's trading on both sides of the Atlantic.
- Oil prices dropped yesterday.
- In the UK, Conservatives' chances at the December election have improved.
- Britain's economy has slowed.

Europe's key stock indices ended in the red on Monday, with the FTSE100 falling 0.4%, the DAX dropping 0.2%, the Stoxx600 stagnating – only France's CAC40 inched 0.1% higher. The unsupportive sentiment stemmed from reports on continued protests in Hong Kong as well as a decline in China's auto sales. The European car industry sector index slid 0.5% in Monday's trading. The winner of the day, the UK-based Greggs bakery and fast food chain, saw its share price jump 10.6% higher, on the back of better-than-expected pre-tax profit.

In the external headwinds, Hungary's BUX fell 0.9% as did three of its blue chips: OTP lost 1.4%, Mol slipped 0.8%, and Richter shed 0.2%; only Magyar Telekom gained 0.3%.

America's stock markets did not fare any better. The Dow stagnated, while the S&P500 and the Nasdaq100 dipped 0.2% each. One reason for the pessimistic sentiment was the uncertainty surrounding the USA-China trade talks as last Saturday US President Donald Trump said he would sign the agreement only if that was 'the right deal' for America. The winner of the day, Boeing shot up 4.5% following reports that US aviation authorities are likely to lift the ban on its 737 MAX jet in few weeks' time, and the jets can probably fly again from January. The airline giant's soaring helped the Dow close in positive territory. The losers of the day came from the energy and health care sectors.

Nigel Farage's Brexit party said it would not run candidates in constituencies where Tories won in 2017. This plays into the hands of Conservatives at the December elections. Mr Farage suggested that he did not wish to split pro-Brexit votes. He cited Boris Johnson's pledge not to expand beyond 2020 the transitions period laid down in the Brexit agreement, and to seek a free trade agreement with Brussels, along the lines of the EU-Canada deal.

A slight dollar weakening sent the EUR/USD 0.1% higher. The pound firmed 0.5% versus the European single currency. The forint lost 0.1% vs the euro.

WTI and Brent crudes sank 0.7% and 0.5% respectively.

Britain has published the preliminary estimate of its third-quarter GDP. The UK economy expanded by 1% year/year in the three months to end-September, missing analysts' forecast of 1.1% economic growth, and slowing from 1.3% increase in the previous quarter. This was the slowest growth rate over the past ten years, indicating that the uncertainty owing to the protracted Brexit process is taking its toll on the real economy.

Germany's ZEW economic sentiment index will be out today. Reports on the USA-China trade talks are also worth keeping an eye on.

	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	3087,0	-0,2	23,1	VIX	12,7	5,1	-50	WTI	56,9	-0,7	25,2
	DOW	27691,5	0,0	18,7	US 2Y	1,67	0	-83	Brent	62,18	-0,5	15,6
	Nasdaq100	8241,9	-0,2	30,2	US 10Y	1,93	0	-76	Gold	1455,7	-0,2	13,5
	DAX	13198,4	-0,2	25,0	GER 2Y	-0,62	0	-3	Silver	16,86	0,4	8,9
	CAC40	5893,8	0,1	24,6	GER 10Y	-0,25	2	-49	EUR/USD	1,1032	0,1	-3,8
	FTSE 100	7328,5	-0,4	8,9	PT10Y	0,36	3	-136	EUR/GBP	0,8581	-0,5	-4,5
	FTSE MIB	23489,9	-0,2	28,2	IT 10Y	1,34	7	-143	EUR/NOK	10,0750	0,1	1,7
	Stoxx600	405,3	0,0	20,0	SP 10	0,44	4	-99	USD/CAD	1,3231	0,0	-3,0
	- Banks	115,3	0,3	2,0	iTRAXX	48,8	-1,0	-45	AUD/USD	0,6849	-0,1	-2,8
	Nikkei 225	23520,0	0,8	17,5	JPY 2Y	-0,17	2	-3	USD/JPY	109,04	-0,2	-0,5
SSEC	2913,5	0,1	16,8	JPY 10Y	-0,03	3	-4	GBP/USD	1,2851	0,6	0,7	
Regional	RTS	1460,8	-0,5	36,7	RUS10	6,4	0	-26	USD/RUB	63,863	0,1	-8,3
	WIG20	2255,46	0,0	-0,9	POL 10	2,2	0	-23	EUR/PLN	4,27	0,1	-0,4
	PX50	1085,3	0,6	10,0	CZ10	1,6	-3	-18	EUR/RON	4,762	0,0	2,4
Hungary	BUX	43039	-0,9	10,0	3M DKJ	0,09	0	2	EUR/HUF	333,99	0,1	4,1
	OTP	13840	-1,4	22,6	1Y	0,04	0	-41	USD/HUF	302,54	0,0	8,2
	MOL	3020	-0,8	-1,9	3Y	0,44	-2	-82	CHF/HUF	304,29	0,2	6,6
	MTelekom	440	0,3	0,0	5Y	1,02	-10	-151	PLN/HUF	78,13	-0,2	4,7
	Richter	5580	-0,2	2,8	10Y	2,15	-10	-89	GBP/HUF	389,21	0,5	9,3

* 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	566,0	210	60
		10 : 30	UK	GDP (preliminary, YoY, %)	Q3	1,0	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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