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Daily Report

Summary

- Pessimism ruled Europe's stock markets on Thursday.
- US trading lacked a single direction.
- Government bond yields dropped yesterday.
- The UK retail sales data caused disappointment.

Europe's stock indices closed in the red on Thursday, with the CAC40 shedding 0.1%, the DAX and the Stoxx600 dropping 0.4% each and the FTSE100 falling 0.8%. Among others, the pale macroeconomic data and Daimler's poor performance both weighed on the sentiment. The German car manufacturer's stock price reversed 3% on Thursday, when the company said that the stricter environmental regulations would adversely affect its profit in 2020 and 2021. The group also announced plans to cut the Mercedes-Benz brand's labour cost by more than EUR 1 bn. The winner of the day, the Qiagen biological diagnostics company saw its share price jump by 14% on reports that Thermo Fisher Scientific, the US-based biotechnology product development company, considers buying it. In individual stock indices, Spain's IBEX fell 2.3% on news that the winner of the recent election, the Socialist party may form a coalition with the radical left-wing Podemos. Investors fear that the new government would abandon fiscal prudence and impose a special tax on the banking sector.

In this unsupportive external environment, Hungary's BUX closed flat as two of its blue chips (Mol and Magyar Telekom) fell 0.5% each, while the other two climbed higher: OTP upped 0.2% and Richter advanced 0.6%.

America's stock markets lacked a single direction. The Dow and the Nasdaq100 stagnated, and the S&P500 inched up 0.1%. One of the losers of the day, Cisco tumbled 7.3% as the networking hardware company reduced its profit guidance for the Q2 financial year. In contrast, Walmart's upward revision of 2019 profit guidance could not save the retail company's share price from slipping 0.3% yesterday.

The US 2Y government bond yield sank by 3.5 basis points, that of the 10Y one dropped by 5.4 bps, while Germany's bond yields eased 1.6 and 4.4 bps respectively.

WTI crude slipped 0.5% and Brent edged 0.1% lower. Precious metal prices picked up, with gold rising 0.5% and silver adding 0.3%.

A slight dollar weakening sent the EUR/USD 0.1% higher. Likewise, the EUR/HUF inched up 0.1%.

Asia's stock markets achieved gains in today's session, possibly benefiting from the White House's optimistic statements on the imminent deal between the two largest economies of the world.

In the United Kingdom, retail sales volumes shrank by 0.1% in October, missing analysts' forecast of 0.3% rise. This was the worst reading since April 2018 and its show that, turning a blind eye to discounts, customers tightened their purse strings before making purchases as the 31 October Brexit deadline approached.

Today's important releases include the eurozone's CPI figures for October. On the other side of the Atlantic, important business indicators are due out on the health of the US economy. Any developments in 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	3096,6	0,1	23,5	VIX	13,1	0,4	-49	WTI	56,8	-0,5	25,0
	DOW	27782,0	0,0	19,1	US 2Y	1,59	-3	-91	Brent	62,28	-0,1	15,8
	Nasdaq100	8257,8	0,0	30,5	US 10Y	1,82	-5	-88	Gold	1471,0	0,5	14,7
	DAX	13180,2	-0,4	24,8	GER 2Y	-0,64	-2	-5	Silver	17,01	0,3	9,9
	CAC40	5901,1	-0,1	24,7	GER 10Y	-0,35	-4	-59	EUR/USD	1,1021	0,1	-3,9
	FTSE 100	7292,8	-0,8	8,4	PT10Y	0,39	3	-133	EUR/GBP	0,8555	-0,1	-4,8
	FTSE MIB	23481,4	-0,4	28,1	IT 10Y	1,43	10	-134	EUR/NOK	10,0983	-0,1	1,9
	Stoxx600	404,4	-0,4	19,8	SP 10	0,47	0	-96	USD/CAD	1,3245	0,0	-2,9
	- Banks	112,7	-0,5	-0,3	iTRAXX	49,5	0,0	-44	AUD/USD	0,6786	-0,7	-3,7
	Nikkei 225	23303,3	0,7	16,4	JPY 2Y	-0,19	0	-6	USD/JPY	108,39	-0,4	-1,1
SSEC	2891,8	-0,6	16,0	JPY 10Y	-0,07	1	-7	GBP/USD	1,2881	0,2	1,0	
Regional	RTS	1437,0	-0,1	34,5	RUS10	6,5	-1	-26	USD/RUB	63,952	-0,6	-8,2
	WIG20	2226,15	-0,4	-2,2	POL 10	2,1	0	-27	EUR/PLN	4,28	-0,1	-0,1
	PX50	1079,4	-0,5	9,4	CZ10	1,5	-3	-23	EUR/RON	4,764	0,1	2,4
Hungary	BUX	43218	0,0	10,4	3M DKJ	-0,03	0	-10	EUR/HUF	334,21	0,1	4,1
	OTP	13770	0,1	22,0	1Y	0,03	1	-42	USD/HUF	303,21	0,0	8,4
	MOL	3000	-0,5	-2,5	3Y	0,38	0	-88	CHF/HUF	307,18	0,0	7,6
	MTelekom	438	-0,5	-0,5	5Y	1,00	2	-153	PLN/HUF	77,93	0,0	4,5
	Richter	5755	0,6	6,0	10Y	2,08	2	-96	GBP/HUF	390,24	0,0	9,5

* 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	-2,1	-13,0	-22,8
	13.	9 : 00	HU	Industrial production (second estimate, YoY, %)	Sept	11,1		11,1*
		10 : 30	UK	Inflation (YoY, %)	Oct	1,5	1,7	1,7
		10 : 30	UK	Core inflation (YoY, %)	Oct	1,7	1,7	1,7
		11 : 00	EZ	Industrial production (MoM, %)	Sept	0,1	-0,3	0,4
		14 : 30	US	CPI (YoY, %)	Oct	1,8	1,7	1,7
		14 : 30	US	CPI (MoM, SA, %)	Oct	0,4	0,3	0,0
		14 : 30	US	core-CPI (YoY, %)	Oct	2,3	2,4	2,4
		14 : 30	US	core-CPI (MoM, SA, %)	Oct	0,2	0,2	0,1
		20 : 00	US	Federal budget balance (USDbn)	Oct	-134,0	-133,0	83,0
	14.	3 : 00	CN	Industrial production (YoY, %)	Oct	4,7	5,4	5,8
			CN	Retail sales (YoY, %)	Oct	7,2	7,9	7,8
CN			Infrastructural spending (YoY, %)	Oct	5,2	5,4	5,4	
8 : 00		DE	GDP (preliminary, QoQ, %)	Q3	0,1	-0,1	-0,1	
8 : 00		RO	GDP (preliminary, YoY, %)	Q3	3,0	3,8	4,4	
9 : 00		CZ	GDP (preliminary, QoQ, %)	Q3	0,3	0,4	0,7	
9 : 00		HU	GDP (preliminary, YoY, %)	Q3	5,0	4,7	4,9	
9 : 00		HU	GDP (preliminary, QoQ, %)	Q3	1,1		1,1	
9 : 00		SK	GDP (preliminary, YoY, %)	Q3	1,3	2,3	2,0	
10 : 00		PL	GDP (preliminary, YoY, %)	Q3	3,9	4,1	4,5	
10 : 30		UK	Retail sales (MoM, %)	Oct	-0,1	0,3	0,0	
10 : 30		PT	GDP (preliminary, YoY, %)	Q3	1,9		1,8	
11 : 00		EZ	GDP (second estimate, YoY, %)	Q3	1,2	1,1	1,1*	
11 : 00		EZ	GDP (second estimate, QoQ, %)	Q3	0,2	0,2	0,2*	
14 : 30	US	Continuing jobless claims ('000s)	weekly	1683,0	1687,0	1689,0		
14 : 30	US	Initial jobless claims ('000s)	weekly	225,0	215,0	211,0		
15.	11 : 00	EZ	CPI (final, YoY, %)	Oct		0,7	0,7*	
	14 : 30	US	New York Fed Manufacturing index (points)	Nov		5,0	4,0	
	14 : 30	US	Retail sales (MoM, %)	Oct		0,2	-0,3	
	15 : 15	US	Industrial production (MoM, %)	Oct		-0,4	-0,4	
16 : 00	US	Business inventories (MoM, %)	Sept		0,1	0,0		

* preliminary data

Sources: Reuters, OTP Research

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