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Global Daily Report

Summary

- Amid the benign sentiment in Europe, Italy's banks picked up; the winner of the day was Nestlé.
- In America, the tech sector dropped after US supreme court lifted the block on the suspended parts of President Trump's travel ban order.
- Greece's 10Y bond yields fell to their lowest since 2009.
- The US durable goods orders figure disappointed.

Monday started with modest gains in Western Europe, with the Stoxx600 climbing 0.4% higher. The index was largely driven by Italian banks, while crude oil producers' earlier gains were wiped out in the afternoon. The FTSE upped 0.2%, and the MIB index closed 0.8% higher. A major winner of the Italian benchmark was Intesa, which surged 3.5% after striking a deal to buy the good assets of the two bankrupt regional banks (Banca Popolare di Vicenza and Veneto Banca) for EUR 1. Analysts opine that the systemic risks of Italy's financial sector will lessen, thus news on the bank rescue helped a number of Italian banking shares end higher: Unicredit rose by 2.2%, Banco BPM soared 3.8%, and BPER Banca rallied 2.6%. Another winner in Europe was the Swiss stock index, which upped 1% on the back of news that US investor Daniel Loeb's risk fund, Third Point holds a USD 3.5 billion (or 1.3%) stake in Nestlé. The food giant's share price jumped 4.3% higher. The activist investor urges, among others, selling Nestlé's stake in L'Oréal; the report sent the cosmetics firm's share price almost 4% higher. In the Eastern part of Europe, Poland's WIG20 excelled with 1.4% growth, whereas the Czech PX fell nearly 1%. The BUX closed 0.4% higher on Monday, with a relatively good turnover for a summer day.

US trading started on a bright note but the initial gains evaporated by the close, mostly because of the tech sector's ailing. The NASDAQ Composite shed 0.3% and the NASDAQ100 sank 0.4%. Of the S&P's sectors, technology saw the sharpest fall, followed by the energy sector; the S&P inched up only a few basis points at the end of trading. Within the tech sector, chipmakers were particularly hit: Applied Materials shrank 1.9%, and NVIDIA contracted by 1.1%. The sentiment soured after US durable goods orders fell sharper in May than had been thought. Yesterday the US supreme court lifted the block on the suspended parts of President Trump's travel ban order, which did not ease the sentiment either.

Asia's stock indices closed mixed this morning. Japan's stock exchanges did well: the Nikkei added 0.4%, and the Topix100 grew by 0.5%, while the yen weakened. The Shanghai Composite and the Hang Seng shed 0.2% each.

On currency markets, crosses moved in narrow ranges. The USD strengthened 0.1% against the EUR and the GBP firmed 0.02% versus the USD. The yen's depreciation raised the USD/JPY by 0.5%.

Yields on advanced bond markets inched down yesterday. Greece's bond market was more exciting, as the secondary bond yields fell to levels last seen in 2009. The yield on the 10Y Greek bond sank eight basis points, to 5.42% yesterday, benefiting from Moody's moves on Friday to upgrade the prospects for Greece's debt rating from stable to positive, and improving the long-term rating too.

In the commodities world, there was an uneventful day, apart from a minor glitch in London, where an order was placed for 1.8 million ounce of gold in the morning, apparently mistakenly. The 'fat finger' error caused a 1.6% drop in the price, but the loss eased to 1% by the end of the day. The WTI rose by 1%, and the Brent crept 0.9% higher.

The June reading of economic confidence index, published by Germany's IFO institute, has overshot market expectations; the gauge rose to 115.1.

US durable goods orders statistics fell by a steeper-than-estimated 1.1% month/month in May, while the growth in the ex-vehicles index also missed expectations. Today the consumer confidence index and the CaseShiller home price index will be out in the USA. But the focus is likely to be on the evening speech of Fed chair Janet Yellen.

	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	2439,1	0,0	8,9	VIX	9,9	-1,2	-29	WTI	43,38	0,9	-19,2
	DOW	21409,6	0,1	8,3	US 2Y	1,34	-0,4	14	Brent	45,83	0,6	-19,3
	Nasdaq100	5777,6	-0,4	18,8	US 10Y	2,14	-0,7	-30	Gold	1244,0	-1,0	8,0
	DAX	12770,8	0,3	11,2	GER 2Y	-0,61	-0,2	18	Silver	16,56	-0,8	3,9
	CAC40	5295,8	0,6	8,9	GER 10Y	0,25	-0,7	4	EUR/USD	1,1179	-0,1	6,3
	FTSE 100	7446,8	0,3	4,3	PT10Y	2,92	1,6	-84	EUR/GBP	0,8788	-0,1	3,2
	FTSE MIB	21002,0	0,8	9,2	IT 10Y	1,89	-1,7	7	EUR/NOK	9,4822	0,3	4,4
	Stoxx600	389,1	0,4	7,6	SP 10	1,37	-1,6	-2	USD/CAD	1,3241	-0,2	-1,4
	- Banks	150,0	0,9	11,8	iTRAXX	53,4	-0,2	-26	AUD/USD	0,7582	0,2	5,1
	Nikkei 225	20225,1	0,4	5,8	JPY 2Y	-0,12	-1,7	6	USD/JPY	111,83	0,5	-4,3
SSEC	3130,4	-1,7	0,9	JPY 10Y	0,05	-0,4	0	GBP/USD	1,2720	0,0	3,1	
Regional	RTS	992,8	0,4	-13,8	RUS10	7,68	-0,1	-8	USD/RUB	58,786	-1,1	-4
	WIG20	2337,69	1,4	20,0	POL 10	3,20	-1,6	-12	EUR/PLN	4,2025	-0,5	-4,6
	PX50	971,4	-0,9	5,4	CZ10	0,90	0,0	92	EUR/RON	4,5736	0,2	0,9
Hungary	BUX	35739	0,4	11,7	3M TB	0,10	0	-6	EUR/HUF	308,95	-0,2	0,0
	OTP	9254	0,2	10,2	1Y	0,20	0	2	USD/HUF	276,49	0,0	-5,8
	MOL	21805	0,3	5,7	3Y	0,73	-1	-13	CHF/HUF	284,20	-0,4	-1,3
	MTelekom	473	0,6	-5,0	5Y	1,76	-2	-1	PLN/HUF	73,490	0,3	4,9
	Richter	7075	0,5	13,9	10Y	2,93	-4	-28	GBP/HUF	351,46	-0,1	-3

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

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2017 6. 26. 10 : 00	DE	IFO Economic sentiment index (points)	June	115,1	114,4	114,6
14 : 30	US	Durable goods orders (mom, %)	May	-1,1	-0,5	-0,8
27. 15 : 00	US	Case-Shiller Home Price Index (yoy, %)	Apr.		5,9	5,9
16 : 00	US	Consumer confidence (point)	June		116,0	117,9
28. 9 : 00	HU	Unemployment rate (%)	May		-	4,6
16 : 00	US	Pending home sales (mom, %)	May		0,6	-1,3
23 : 55	US	Fed Monetary Policy Report				
29. 11 : 00	EZ	EC Economic Sentiment Index (points)	June		109,5	109,2
14 : 00	DE	CPI (preliminary, yoy, %)	June		1,4	1,5
13 : 00	CZ	Interest rate decision (%)	June		-	0,05
14 : 30	US	GDP (3rd estimate, qoq, %)	Q1		1,2	1,2*
30. 1 : 30	JP	CPI (yoy, %)	May		-	0,4
1 : 30	JP	core-CPI (yoy, %)	May		0,2	0,3
1 : 50	JP	Industrial production (preliminary, yoy, %)	May		-3,2	4,0
3 : 00	CN	NBS Manufacturing PMI (points)	June		51,0	51,2
3 : 00	CN	NBS non-Manufacturing PMI (points)	June		-	54,5
8 : 00	DE	Retail sales (mom, %)	May		0,3	-0,2
9 : 00	HU	Industrial producer prices (yoy, %)	May		-	4,4
9 : 00	HU	Trade balance (detailed, monthly, EURmn)	Apr.		-	878,0*
11 : 00	EZ	CPI (preliminary, yoy, %)	June		1,2	1,4
11 : 00	EZ	Core CPI (flash, yoy, %)	June		1,0	1,0
14 : 30	US	Personal income (mom, %)	May		0,3	0,4
14 : 30	US	Personal consumption (adjusted, mom, %)	May		0,1	0,4
15 : 45	US	Chicago PMI (points)	June		58,0	59,4

Source: Reuters, OTP Research

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