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Global Daily Report

Summary

- Western Europe's key stock markets achieved gains on Tuesday, while US trading sentiment soured by the end of the day.
- The USD regained some lost ground from the EUR.
- Hungary's July CPI reading was 2.1% YoY, in line with expectations.

The major stock indices in Western Europe opened with sideways moves but gained impetus later, and posted modest gains at the end of Tuesday's session. Simultaneously with the US dollar, they started to head higher before the close. The greenback gained strength when two better-than-expected macroeconomic data sets (job openings, and economic optimism index) were published in the USA. Yet America's key indices started to dip ahead of the close, to end the day in the red. One of the reasons for their ailing may have been the escalation of geopolitical risks. North Korea is reported to have developed a miniaturized nuclear warhead that fits its earlier tested missiles.

This morning Asia's key indices sank into negative territory. This came after North-Korea said it was considering a missile strike on Guam, a US Pacific territory.

The US dollar's 0.4% appreciation led the EUR/USD to 1.17 by the end of the day, but the greenback retreated that much versus the JPY (USD/JPY: 110.4). Ten-year government bonds in Germany and the USA inched up 2 bps each.

Recovering from Monday's ailing, precious metal prices grew by around 1% yesterday. Industrial metals moved in mixed directions on Tuesday, with zinc posting the steepest rise (more than 2.0%). The Brent and the WTI both slipped 0.5%.

In line with expectations, inflation in Hungary was 2.1% year/year in July, while core inflation accelerated to a three-year high of 2.6% year/year. The index that filters out government measures and volatile items rose to a four-and-a-half-year high of 2.3%. The sharpest rise (+5.2% year/year) was gauged in alcoholic drinks and tobacco. On average, consumer prices have not changed from the previous month.

Today's possibly important releases include US oil inventories data.

	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	2474,9	-0,2	10,5	VIX	11,0	10,4	-22	WTI	49,17	-0,3	-8,5
	DOW	22085,3	-0,1	11,8	US 2Y	1,36	0,8	17	Brent	52,14	-0,4	-8,2
	Nasdaq100	5917,0	-0,3	21,7	US 10Y	2,28	2,5	-15	Gold	1260,2	0,2	9,4
	DAX	12292,1	0,3	7,1	GER 2Y	-0,67	1,2	12	Silver	16,42	1,1	3,0
	CAC40	5218,9	0,2	7,3	GER 10Y	0,47	1,3	27	EUR/USD	1,1749	-0,4	11,8
	FTSE 100	7542,7	0,1	5,6	PT10Y	2,85	0,1	-92	EUR/GBP	0,9044	0,0	6,2
	FTSE MIB	22048,3	0,1	14,6	IT 10Y	2,00	1,6	17	EUR/NOK	9,3517	0,1	2,9
	Stoxx600	382,7	0,2	5,9	SP 10	1,44	-0,8	5	USD/CAD	1,2665	-0,1	-5,7
	- Banks	166,9	-0,2	24,5	iTRAXX	52,8	1,2	-27	AUD/USD	0,7912	0,0	9,7
	Nikkei 225	19996,0	-0,3	4,6	JPY 2Y	-0,11	-0,8	7	USD/JPY	110,30	-0,4	-5,6
SSEC	3213,4	-2,1	3,5	JPY 10Y	0,06	-1,1	1	GBP/USD	1,2989	-0,3	5,3	
Regional	RTS	1048,7	1,6	-9,0	RUS10	7,77	0,5	-7	USD/RUB	59,860	-0,3	-2
	WIG20	2425,02	1,5	24,5	POL 10	3,37	-0,1	-7	EUR/PLN	4,2640	0,3	-3,2
	PX50	1043,6	1,0	13,2	CZ10	0,89	-5,4	90	EUR/RON	4,5615	0,0	0,6
Hungary	BUX	36771	-0,5	14,9	3M TB	0,10	0	-6	EUR/HUF	304,09	0,1	-1,5
	OTP	9930	-0,2	18,2	1Y	0,19	4	1	USD/HUF	258,77	0,4	-11,8
	MOL	23600	0,0	14,4	3Y	0,86	0	0	CHF/HUF	265,48	0,2	-7,8
	MTelekom	464	0,0	-6,8	5Y	1,91	-1	14	PLN/HUF	71,280	-0,2	1,8
	Richter	6425	-1,9	3,5	10Y	3,16	0	-4	GBP/HUF	336,04	0,1	-7

* 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 8. 7.	8 : 00 DE	Industrial production (mom, %)	June	-1,1	0,2	1,2
	8 : 30 HU	International reserves (final, EURbn)	June	23,5	-	23,72*
	10 : 30 EZ	Sentix Investor confidence (points)	Aug.	27,7	27,8	28,3
	11 : 00 HU	Fiscal balance (monthly, billion HUF)	July	94,4	-	-697,9
8.	4 : 00 CN	Import (yoy, %)	July	11	16,60	17,2
	4 : 00 CN	Export (yoy, %)	July	7,2	10,9	11,3
	8 : 00 DE	Export (mom, %)	June	-2,8	-0,3	1,4
	9 : 00 HU	Trade balance (preliminary, monthly, EUR mn)	June	1060	1082	959
	9 : 00 HU	Inflation (yoy, %)	July	2,1	2,1	1,9
	9 : 00 HU	Core inflation (yoy, %)	July	2,6	-	2,4
10.	9 : 00 HU	Construction output (yoy, %)	June		-	35,4
	10 : 30 UK	Industrial production (mom, %)	June		0,1	-0,1
	20 : 00 US	Federal budget balance (USDbn)	July		-73,0	-90,0
11.	8 : 00 DE	CPI (final, yoy, %)	July		1,7	1,7*
	9 : 00 HU	Industrial production (second estimate, yoy, %)	June		-	4,0*
	14 : 30 US	CPI (yoy, %)	July		1,7	1,6
	14 : 30 US	CPI (mom, %)	July		0,1	0,0
	14 : 30 US	core-CPI (yoy, %)	July		1,7	1,7
	14 : 30 US	core-CPI (mom, %)	July		0,2	0,1

*preliminary data

Source: Reuters, OTP Research

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