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Global Daily Report

Summary

- Tuesday's trading was fairly optimistic throughout the world
- The MNB left its monetary conditions unchanged; the forint firmed after the meeting
- Oil prices went up; RBC expects crude to remain above USD 50 around October
- The USD has appreciated against the major currencies.

Trading on global stock markets was fairly bright yesterday. In America, the S&P500 added 1% and the NASDAQ100 climbed 1.5% higher. Of Europe's key indices, the DAX closed 1.4% higher; the CAC40 and the FTSE100 both advanced 0.9%. The buoyant sentiment was supported by reports that Donald Trump and his team are making big strides in shaping a business-friendly tax reform, which may be tabled to Congress soon. Moreover, the geopolitical tension surrounding North Korea appears to be de-escalating.

Asia ended a mixed trading session this morning. Japan's Nikkei gained 0.3% while China's SSEC lost the same rate.

The dollar regained 0.4% ground from the EUR and 0.6% from the JPY. An initial forint weakening led the EUR/HUF from near-303.2 levels to 304 ahead of the MNB Monetary Council's meeting, as investors had assumed that the strong forint may prompt the MNB to send a verbal message to markets. But the central bank left its monetary conditions in place and neither did it alter the wording of its post-meeting press release. Therefore the forint recovered in the afternoon, and the EUR/HUF closed almost flat.

In Tuesday's trading the Brent's price upped 1%, in anticipation of a drop in US oil inventories. Gold lost 0.6% of its shine, as optimism returned to the world's markets. Analysts at RBC expect crude prices to exceed the 50-dollar level steadily in October. One of the reasons is that they see Venezuela's state-run oil company facing bankruptcy. Since oil prices started to slump, the company has accumulated massive USD debts, which Venezuela seems unable to repay, given its economic crisis and the low oil prices. The company should pay back USD 3.5 billion debt in October and November. Another possible reason is that the USA may terminate its agreement with Iran (as Donald Trump had pledged) in the near future, which would re-instate the previous sanctions, causing a massive cut for the country's oil production. But many analysts find this unlikely.

The USA imposed sanctions on Chinese and Russian businesses and individuals on suspicion that they may have facilitated the progress of North Korea's nuclear programme. This step is milder than expected – a number of analysts had warned that banks having clients with illicit dealings with North Korea should also be sanctioned. This approach could have prevented North Korea from being part of the international financial system by laundering money in China, they claim.

	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	2452,5	1,0	9,5	VIX	11,4	-13,9	-19	WTI	47,70	0,2	-11,2
	DOW	21899,9	0,9	10,8	US 2Y	1,33	2,5	13	Brent	51,87	0,4	-8,7
	Nasdaq100	5873,3	1,5	20,8	US 10Y	2,22	3,5	-22	Gold	1284,3	-0,5	11,5
	DAX	12229,3	1,4	6,5	GER 2Y	-0,72	-1,0	7	Silver	16,97	0,0	6,5
	CAC40	5131,9	0,9	5,5	GER 10Y	0,40	-0,6	19	EUR/USD	1,1760	-0,5	11,9
	FTSE 100	7381,7	0,9	3,3	PT10Y	2,76	1,2	-100	EUR/GBP	0,9170	0,1	7,7
	FTSE MIB	21729,5	-0,1	13,0	IT 10Y	2,10	6,6	27	EUR/NOK	9,3029	-0,3	2,4
	Stoxx600	375,8	0,8	4,0	SP 10	1,45	2,8	6	USD/CAD	1,2558	0,0	-6,5
	- Banks	159,8	0,0	19,2	ITRAXX	57,4	-1,7	-21	AUD/USD	0,7907	-0,4	9,6
	Nikkei 225	19434,6	0,3	1,7	JPY 2Y	-0,13	0,2	5	USD/JPY	109,56	0,5	-6,3
SSEC	3281,6	-0,3	5,7	JPY 10Y	0,04	-0,4	-1	GBP/USD	1,2823	-0,6	3,9	
Regional	RTS	1039,4	0,5	-9,8	RUS10	7,80	0,0	-7	USD/RUB	59,059	-0,1	-4
	WIG20	2387,24	0,4	22,6	POL 10	3,33	0,7	-8	EUR/PLN	4,2740	-0,1	-2,9
	PX50	1033,7	0,2	12,2	CZ10	0,88	0,0	89	EUR/RON	4,5818	0,0	1,0
Hungary	BUX	37622	1,4	17,6	3M TB	0,10	0	-6	EUR/HUF	302,95	0,0	-1,9
	OTP	10335	3,2	23,0	1Y	0,15	0	-3	USD/HUF	257,41	0,4	-12,3
	MOL	23380	0,5	13,3	3Y	0,89	2	3	CHF/HUF	266,56	-0,1	-7,4
	MTelekom	480	1,1	-3,6	5Y	1,89	-1	12	PLN/HUF	70,870	0,1	1,2
	Richter	6615	0,2	6,5	10Y	3,06	-1	-14	GBP/HUF	330,28	-0,2	-9

* 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. 22.	9 : 00 HU	ZEW Economic Sentiment Index (point)	June	14,4	-	12,9
	11 : 00 DE	ZEW Economic Sentiment (points)	Aug.	10	15,0	17,5
	14 : 00 HU	Interest rate decision (%)	Aug.	0,9	0,9	0,9
23.	9 : 00 HU	Retail sales (second estimate, yoy, %)	June	5,2	-	5,5*
	10 : 00 EZ	Markit Manufacturing PMI (points)	Aug.		56,3	56,6
	10 : 00 EZ	Markit Service PMI (points)	Aug.		55,4	55,4
	15 : 45 US	Markit Manufacturing PMI (points)	Aug.		52,9	53,3
	15 : 45 US	Markit Service PMI (points)	Aug.		54,0	54,7
	16 : 00 EZ	EC Economic Sentiment Index (points)	Aug.		-1,7	-1,7
	16 : 00 US	New home sales (annualized monthly, thousand)	July		616	610
24.	1 : 30 JP	Inflation (yoy, %)	July		-	0,4
	1 : 30 JP	Core inflation (yoy, %)	July		0,5	0,4
	10 : 00 PL	Unemployment rate (%)	July		7,0	7,1
	10 : 30 UK	GDP (detailed, yoy, %)	Q2		1,7	1,7*
	16 : 00 US	Existing home sales (mom, %)	July		5530	5520
25.	8 : 00 DE	GDP (detailed, yoy, %)	Q2		2,1	2,1*
	10 : 00 DE	IFO Economic sentiment index (points)	Aug.		115,5	116,0
	14 : 30 US	Durable goods orders (mom, %)	July		-4,0	6,4

*preliminary data

Source: Reuters, OTP Research

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