

Global Daily Report



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Summary

- Global stock markets regained impetus as the USA-China trade 'truce' made equities temporarily more attractive.
- The Dow and the S&P closed at all-time highs.
- OPEC leaders decided to extend their oil production cut.
- The USA plans additional USD 4 bn tariff on goods from the EU.

The USA-China trade truce at the weekend's G20 summit galvanized stock markets on Monday. In Europe, the Stoxx600 advanced 0.8%, the FTSE and the DAX gained 1.0% each. The Stoxx600's technology component jumped 1.9% higher, benefiting from a surge in trade-conflict-sensitive technology stock prices. Infineon shot up 4.1%, AMS grew by 3.7%, and STMicroelectronics sky-rocketed 4.2% on news that trade talks resume, and accordingly, the USA suspended its planned additional tariffs on Chinese imports.

On the other side of the Atlantic, Wall Street opened the week higher, and the benchmark stock indices hit records highs again. The S&P gained 0.8%, and the Dow closed 0.4% higher, both at all-time highs, wiping out the morning's losses, which stemmed from the pale manufacturing statistics. The Nasdaq100 rose by 1.3%. In the S&P sector indices, technology was by far the strongest sector; other outperformers included the financial sector, cyclical consumer goods, as well as telecommunications. The S&P's technology sector was propelled by chipmakers: Broadcomm jumped 4.3%, and Micron Technologies surged 3.9%, while Microchip Technology, Qorvo, and Skyworks shot up 5–6% each. The enthusiasm on Europe's and America's markets may be short-lived, analysts warn, because no deadline has been set for the USA-China talks, whereas little is known about the resolve of critical topics.

The Bloomberg Dollar Spot Index rose by a modest 0.5%; the euro weakened 0.8% versus the USD. The GBP depreciated as the Markit manufacturing manager index dropped further in June; this is the second consecutive month for the gauge to miss the 50 mark, and thus signifying economic contraction. Europe's bond yields sank on Monday: the yield on Germany's 10Y bonds shed three basis points, that of the UK declined 2 bps, and Italian bond yields fell 13 bps, reflecting the expectation that the European Commission would not fine Italy this summer for the surge in its budget deficit. EU leaders failed to agree during the weekend on the key EU positions.

On the commodity market, crude oil price fell considerably on Monday, as oil producers agreed to extend the production cut. WTI rose by 1.1%, to near 60 USD/barrel while Brent slipped. In the optimistic sentiment, gold price fell 1.7%, and silver dropped 1.0%.

Asia seemed less buoyant this morning. Just hours after the USA-China 'truce' the White House issued a new list of EU goods to be levied a total of USD 4 bn import tariff. Ending a rather volatile trading day, Japan's Nikkei was seen slightly higher today. China's Hang Seng and Shanghai Composite were in the red.

	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	2964,3	0,8	18,2	VIX	14,1	-6,8	-45	WTI	59,1	1,1	30,1
	DOW	26717,4	0,4	14,5	US 2Y	1,79	4,6	-71	Brent	65,06	-2,2	20,9
	Nasdaq100	7768,1	1,3	22,7	US 10Y	2,03	3,3	-66	Gold	1384,1	-1,8	7,9
	DAX	12521,4	1,0	18,6	GER 2Y	-0,74	-0,1	-15	Silver	15,14	-1,1	-2,2
	CAC40	5567,9	0,5	17,7	GER 10Y	-0,36	-3,4	-61	EUR/USD	1,1285	-0,7	-1,6
	FTSE 100	7497,5	1,0	11,4	PT10Y	0,42	-6,8	-130	EUR/GBP	0,8926	-0,3	-0,6
	FTSE MIB	21254,0	0,1	16,0	IT 10Y	1,94	-14,7	-83	EUR/NOK	9,6825	-0,2	-2,3
	Stoxx600	387,9	0,8	14,9	SP 10	0,34	-5,9	-109	USD/CAD	1,3134	0,3	-3,7
	- Banks	113,9	0,2	0,7	iTRAXX	50,7	-2,5	-42	AUD/USD	0,6965	-0,8	-1,2
	Nikkei 225	21754,3	0,1	8,7	JPY 2Y	-0,22	0,5	-8	USD/JPY	108,43	0,5	-1,0
SSEC	3046,5	0,1	22,2	JPY 10Y	-0,14	0,1	-15	GBP/USD	1,2638	-0,4	-0,9	
Regional	RTS	1401,6	1,5	31,5	RUS10	7,4	-0,7	-16	USD/RUB	62,996	-0,4	-9,6
	WIG20	2329,74	0,1	2,3	POL 10	2,4	-1,1	-17	EUR/PLN	4,24	0,0	-1,1
	PX50	1039,8	-0,2	5,4	CZ10	1,5	1,5	-20	EUR/RON	4,729	0,1	1,7
Hungary	BUX	40618	0,8	3,8	3M DKJ	0,28	0,0	21	EUR/HUF	323,21	0,1	0,7
	OTP	11620	2,8	2,9	1Y	0,31	1,0	-14	USD/HUF	286,43	0,9	2,4
	MOL	3118	-1,1	1,3	3Y	0,97	-1,0	-29	CHF/HUF	289,42	-0,4	1,4
	MTelekom	421	-0,1	-4,4	5Y	1,67	-1,0	-86	PLN/HUF	76,18	0,2	2,1
	Richter	5270	0,7	-2,9	10Y	2,68	-2,0	-36	GBP/HUF	360,84	0,1	1,3

* 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	7.	1.	2 : 30	JP	Nikkei Manufacturing PMI (points)	Jun	49,3	-	49,5
			9 : 00	HU	Manufacturing PMI (points)	Jun	54,4	-	57,9
		9 : 00	-	OPEC Meeting	-	-	-	-	
		11 : 00	EZ	Unemployment rate (%)	May	7,5	7,6	7,6	
		16 : 00	US	Construction expenditure (mom, %)	May	-0,8	0,2	0,4	
		16 : 00	US	Jerome Powell speech	Jun	51,7	51,5	52,1	
		2.	9 : 00	HU	Trade balance (detailed, monthly, EUR mn)	Apr	245	-	228*
	9 : 00		HU	Government sector balance (in % of GDP)	Q1	0,1	-	2,2	
	3.	9 : 00	TR	Inflation (yoy, %)	Jun			18,7	
			14 : 00	PL	Interest rate decision (%)	Jul		1,5	1,5
		14 : 15	US	ADP non-farm employment (mom, '000s)	Jun		150	27	
		14 : 30	US	Continuing jobless claims ('000s)	weekly			1688	
		14 : 30	US	Initial jobless claims ('000s)	weekly			227	
		16 : 00	US	Factory orders (mom, %)	May		0,2	-1	
		16 : 00	US	ISM non-Manufacturing PMI (points)	Jun		56,0	56,9	
	4.	9 : 00	HU	Retail sales (first estimate, yoy, %)	May		-	8,5	
		11 : 00	EZ	Retail sales (mom, %)	May		0,4	-0,4	
14 : 00		RO	Interest rate decision (%)	Jul		2,5	2,5		
5.	8 : 00	DE	Industrial orders (mom, %)	May		0,1	0,3		
		9 : 00	HU	Industrial production (preliminary, yoy, %)	May		-	6,3	
	10 : 00	HU	International reserves (preliminary, EURbn)	Jun		-	26,7		
	14 : 30	US	Average earnings (yoy, %)	Jun			3,1		
		US	Average earnings (mom, %)	Jun		0,3	0,2		
	14 : 30	US	Unemployment rate (%)	Jun		3,6	3,6		
14 : 30	US	Non-farm payroll (mom, '000s)	Jun		165	75			

*preliminary data

Sources: Reuters, OTP Research

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