

# Global Daily Report



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### Summary

- Thursday's sentiment was slightly negative on both sides of the Atlantic, the favourable corporate reports made no impact.
- Commodity prices sank; EM currencies came under pressure again.
- Asia's key stock indices headed higher this morning

Most stock indices in Western Europe closed in the red on Thursday: the Stoxx600 shed 0.2%, the DAX dropped 0.6%, and the FTSE preserved only 0.1% of earlier gains. Corporate earnings reports are one reason to blame for this. Publicis, the world's largest advertising agency, fell 9% on news that its Q2 revenue unexpectedly contracted. SAP shrank 3.5%, after reporting worse-than-expected sales in the past quarter. Global growth fears, and the US dollar's firming sent commodity prices lower. The People's Bank of China devalued the yuan against the USD by 0.2%; subsequently, the Chinese currency weakened 0.8% on the currency market. On the London Metal Exchange, copper price fell below the psychologically important mark of 6,000 USD/ton at one point on Thursday, to close 1.4% lower, at USD 6,065. The drop in commodity prices pushed European producers' share prices down; the commodity sector posted the sharpest loss within the Stoxx600. The brightest star of the Stoxx600 was Iliad, France's mobile telecommunications service provider, whose subscriber numbers hit one million. The impressive figures in their Q2 reports helped Sweden's ABB and SKF close higher.

Reversing a five-day winning streak, most of America's indices sank yesterday – only the Russell2000 could remain in positive territory (+0.6%) by the close. The Dow and the NASDAQ100 lost 0.5% each, and the S&P slipped 0.4%. Within the S&P, the gains of the real property and utilities sectors could not offset the sharp losses of the financial sector. Corporate reports did not benefit the sentiment, and neither did the weekly unemployment statistics (initial jobless claims fell by 8,000, to the level last seen in 1969), or the Philadelphia Fed's stronger-than-expected manufacturing index. IBM soared 3.3% as its earnings figures, posted after market close on Wednesday, have surpassed expectations. Despite the better-than-expected profit figure, eBay nose-dived 10% as the company's Q3 forecast undershot market expectations.

The EUR/USD ebbed and flowed on Thursday. Bond yields increased after President Trump's newly released televised interview, in which he criticized the Fed for its rate hikes. The GBP weakened 0.5% against the USD owing to uncertainties surrounding Brexit, and a worse-than-expected retail sales reading. The Bloomberg Dollar Spot Index rose by 0.3%, while emerging market currencies came under pressure again. The EUR/HUF stuck at above-326 levels, which translates into 0.7% forint depreciation. The USD/HUF made comparable moves.

Crude oil prices rose after Saudi Arabia's announcement to curb its petroleum exports by 100,000 barrels in August, but they sank again by the close. Gold and silver lost some of their shine yesterday.

Asia's key stock indices headed higher this morning, except Japan's markets. Mainland China's and Hong Kong's benchmark have risen as a major Chinese bank sold massive USD volumes, helping the yuan regain strength after the recent days' ailing. Reversing an intraday 0.7% drop, the Shanghai Composite jumped 2.1% higher. The Hang Seng gained 0.8%.

	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	2804,5	-0,4	4,9	VIX	12,9	6,4	17	WTI	68,2	-0,7	12,9
	DOW	25064,5	-0,5	1,4	US 2Y	2,60	-2	70	Brent	72,58	-0,4	8,5
	Nasdaq100	7352,4	-0,5	14,9	US 10Y	2,85	-3	44	Gold	1222,4	-0,3	-6,1
	DAX	12686,3	-0,6	-1,8	GER 2Y	-0,65	-1	-1	Silver	15,26	-1,7	-9,9
	CAC40	5417,1	-0,6	2,0	GER 10Y	0,33	-1	-9	EUR/USD	1,16	0,0	-3,0
	FTSE 100	7684,0	0,1	0,0	PT10Y	1,79	0	-14	EUR/GBP	0,89	0,5	0,7
	FTSE MIB	21885,4	-0,4	0,1	IT 10Y	2,51	-1	51	EUR/NOK	9,59	0,8	-2,7
	Stoxx600	386,2	-0,2	-0,8	SP 10	1,29	0	-28	USD/CAD	1,33	0,8	5,5
	- Banks	139,4	-0,5	-15,5	iTRAXX	65,6	2,8	45	AUD/USD	0,74	-0,5	-5,7
	Nikkei 225	22697,9	-0,3	-0,3	JPY 2Y	-0,12	0	1	USD/JPY	112,45	-0,3	-0,2
	SSEC	2822,5	1,8	-14,7	JPY 10Y	0,04	-1	-1	GBP/USD	1,30	-0,4	-3,7
Regional	RTS	1124,4	-1,8	-2,6	RUS10	7,7	0,5	2	USD/RUB	63,578	0,9	10,3
	WIG20	2146,82	-0,1	-12,8	POL 10	3,1	0,1	-5	EUR/PLN	4,34	0,7	3,9
	PX50	1083,9	-0,3	0,5	CZ10	2,1	-0,3	38	EUR/RON	4,651	0,0	-0,6
Hungary	BUX	35118	1,1	-10,8	3M DKJ	0,18	-2	15	EUR/HUF	326,32	0,7	5,1
	OTP	10010	-0,1	-6,6	1Y	0,57	-3	52	USD/HUF	280,23	0,7	8,3
	MOL	2664	0,5	-11,3	3Y	1,76	-1	121	CHF/HUF	280,36	0,7	5,8
	MTelekom	400	-0,7	-12,7	5Y	2,79	2	162	PLN/HUF	75,16	0,0	1,2
	Richter	4872	6,6	-28,1	10Y	3,38	8	134	GBP/HUF	364,60	0,3	4,4

\* 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.
2018 7. 16.	4 : 00	CN GDP (yoy, %)	Q2	6,7	6,7	6,8
	4 : 00	CN GDP (qoq, SA, %)	Q2	1,8	1,6	1,4
	4 : 00	CN Infrastructural spending (yoy, %)	Jun	6,0	6,0	6,1
	4 : 00	CN Industrial production (yoy, %)	Jun	6,0	6,5	6,8
	4 : 00	CN Retail sales (yoy, %)	Jun	9,0	9,0	8,5
	9 : 00	HU Construction output (yoy, %)	May	15	-	14,2
	14 : 30	US Retail sales (mom, %)	Jun	0,5	0,6	0,8
	14 : 30	US New York Fed Manufacturing index (points)	Jul	22,6	22,8	25,0
	16 : 00	US IMF World Economic Outlook	-	-	-	-
	16 : 00	US Business inventories (mom, %)	May	0,4	0,4	0,3
17.	15 : 15	US Industrial production (mom, %)	Jun	0,6	0,6	-0,1
	16 : 00	US Jerome Powell testimony to the Senate Banking Committee	-	-	-	-
18.	10 : 30	UK Inflation (yoy, %)	Jun	2	2,6	2,4
	10 : 30	UK Core inflation (yoy, %)	Jun	1,9	2,2	2,1
	11 : 00	EZ CPI (final, yoy, %)	Jun	2	2,0	2,0*
	14 : 30	US Housing starts (annualized monthly, '000s)	Jun	1 173,0	1323	1350
	14 : 30	US Building permits (annualized monthly, '000s)	Jun	1 273	1328	1301
	20 : 00	US Fed Beige Book	-	-	-	-
19.	10 : 30	UK Retail sales (mom, %)	Jun	-1	0,5	1,4
	16 : 00	US Leading index (mom, %)	Jun	0,5	0,3	0,2
20.	1 : 30	JP CPI (yoy, %)	Jun	1	0,8	0,7
	1 : 30	JP core-CPI (yoy, %)	Jun	0,8	0,8	0,7
	9 : 00	HU Gross wages (yoy, %)	May		-	12,6
		OPEC and non-OPEC Ministerial Meeting	-		-	-

\* preliminary data

Sources: Reuters, OTP Research

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