

Global Daily Report



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Summary

- US indices ended in the red on Monday; the sentiment in Europe was far from enthusiastic
- Oil prices climbed owing to geopolitical tensions
- US pending home sales unexpectedly picked up in June
- In today's international meeting in Geneva, participants discuss their counter-measure in response to President Trump's threat of car import tariffs

In Monday's rather unsupportive sentiment on US stock markets, the Dow and the S&P500 slipped 0.6% each, and the NASDAQ100 slid 1.4%. Technology stocks were hit the hardest: Facebook's stock price fell 3.1%, while Google's parent Alphabet lost 1.6%. Europe's stock indices also ended in negative territory: the Stoxx600 sank 0.3%, and the DAX dipped 0.5%.

Geopolitical tensions sent crude prices higher yesterday. The WTI exceeded 70 USD/barrel, to its highest in three weeks. On top of America's planned new sanctions against Iran, supplies from Venezuela and Libya are dwindling because of production problems. Meanwhile the output growth is slowing in Saudi Arabia and the Gulf states.

The euro's strengthening sent the EUR/USD 0.4% higher.

Government bond yields rose across the board: the German 10Y Bund yield upped 4.3 basis points, and the US 10Y one increased by 1.3 bps.

The European Commission's economic sentiment index for July dropped to 112.1, down from 112.3 in June, owing to trade war fears and pale inflation data. On the other hand, the June reading of US pending home sales grew by 0.9%, in an improvement from the previous month's 0.5% fall. Analysts attribute the positive development to a rise in existing home sales, but do not think this growth could be steady, given the limited supply.

In the USA, the two-day meeting of the Federal Open Markets Committee begins today. Analysts expect central bankers leave the key policy rate on hold but confirm information about this year's two interest rate hikes. The FOMC's previous statements suggest that the first rate hike may take place in September 2018.

The world's major car-producing economies –the European Union, Japan, South Korea, Canada and Mexico– are meeting in Geneva to form a common platform in response to President Trump's threat of tariffs on car imports.

A string of important macroeconomic data is due out today. The Q2 GDP statistics are due out in the eurozone. In America, the Case-Shiller property price index will see the light of day, as well as US households' income and spending figures.

	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	2802,6	-0,6	4,8	VIX	14,3	9,4	29	WTI	70,1	2,1	16,0
	DOW	25306,8	-0,6	2,4	US 2Y	2,67	-1	78	Brent	74,97	0,9	12,1
	Nasdaq100	7193,1	-1,4	12,5	US 10Y	2,98	1	56	Gold	1221,3	-0,1	-6,2
	DAX	12798,2	-0,5	-0,9	GER 2Y	-0,59	3	5	Silver	15,48	0,2	-8,6
	CAC40	5491,2	-0,4	3,4	GER 10Y	0,45	4	3	EUR/USD	1,17	0,4	-2,4
	FTSE 100	7700,9	0,0	0,2	PT10Y	1,79	5	-14	EUR/GBP	0,89	0,2	0,3
	FTSE MIB	21941,0	-0,1	0,4	IT 10Y	2,79	5	80	EUR/NOK	9,52	-0,2	-3,3
	Stoxx600	390,9	-0,3	0,4	SP 10	1,44	4	-14	USD/CAD	1,30	-0,1	3,6
	- Banks	145,9	0,6	-11,6	iTRAXX	62,7	2,6	39	AUD/USD	0,74	0,1	-5,1
	Nikkei 225	22595,2	0,2	-0,7	JPY 2Y	-0,11	0	3	USD/JPY	111,06	0,0	-1,4
SSEC	2882,4	0,5	-12,8	JPY 10Y	0,05	-5	0	GBP/USD	1,31	0,2	-2,8	
Regional	RTS	1162,4	0,9	0,7	RUS10	7,7	-0,4	2	USD/RUB	62,218	-0,8	7,9
	WIG20	2327,77	1,6	-5,4	POL 10	3,2	1,8	-3	EUR/PLN	4,27	-0,3	2,2
	PX50	1094,9	0,2	1,6	CZ10	2,2	0,0	42	EUR/RON	4,623	0,0	-1,2
Hungary	BUX	35931	0,0	-8,8	3M DKJ	0,18	0	14	EUR/HUF	321,60	-0,2	3,6
	OTP	10360	-0,9	-3,4	1Y	0,54	0	49	USD/HUF	274,69	-0,6	6,1
	MOL	2720	0,4	-9,5	3Y	1,59	2	104	CHF/HUF	277,78	-0,1	4,8
	MTelekom	404	0,1	-11,9	5Y	2,72	1	155	PLN/HUF	75,27	0,1	1,3
	Richter	4950	1,4	-27,0	10Y	3,26	2	121	GBP/HUF	360,50	-0,6	3,2

* 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. 30.	11 : 00	EZ EC Economic Sentiment Index (points)	Jul	112,1	112,2	112,3
	14 : 00	DE CPI (flash, yoy, %)	Jul	2	2,1	2,1
	16 : 00	US Pending home sales (mom, %)	Jun	0,9	-	-0,5
31.	3 : 00	CN NBS Manufacturing PMI (points)	Jul	51,2	51,3	51,5
	3 : 00	CN NBS non-Manufacturing PMI (points)	Jul	54,0	-	55,0
	5 : 00	JP Interest rate decision (%)	Jul	-0,1	-0,1	-0,1
	8 : 00	DE Retail sales (mom, %)	Jun	1,2	1,0	-2,1
	9 : 00	HU Industrial producer prices (yoy, %)	Jun		-	5,3
	9 : 00	AT GDP (preliminary, qoq, %)	Q2			0,8
	9 : 00	ES GDP (preliminary, qoq, %)	Q2		0,7	0,7
	11 : 00	EZ CPI (flash, yoy, %)	Jul		2,1	2,0
	11 : 00	EZ Core CPI (flash, yoy, %)	Jul		1,0	0,9
	11 : 00	EZ Unemployment rate (%)	Jun		8,3	8,4
	11 : 00	EZ GDP (preliminary, qoq, %)	Q2		0,4	0,4
	11 : 00	EZ GDP (preliminary, yoy, %)	Q2		2,3	2,5
	12 : 00	IT GDP (preliminary, qoq, %)	Q2		0,3	0,3
	14 : 30	US Personal income (mom, %)	Jun		0,4	0,4
	14 : 30	US Personal consumption (adjusted, mom, %)	Jun		0,4	0,2
	15 : 00	US Case-Shiller Home Price Index (yoy, %)	May		-	6,6
	15 : 45	US Chicago PMI (points)	Jul		63,0	64,1
	16 : 00	US Consumer confidence (point)	Jul		126,5	126,4
8. 1.	2 : 30	JP Nikkei Manufacturing PMI (points)	Jul		-	51,6
	9 : 00	HU Manufacturing PMI (points)	Jul		-	53,0
	10 : 00	HU MNB House Price Index	Q1		-	118,0
	14 : 15	US ADP non-farm employment (mom, '000s)	Jul		175,0	177,0
	16 : 00	US ISM Manufacturing PMI (points)	Jul		59,8	60,2
	16 : 00	US Construction expenditure (mom, %)	Jun		0,3	0,4
	20 : 00	US Interest rate decision (%)	Aug		1,75-2,0	1,75-2,0
	21 : 30	US Vehicle sales (annualized monthly, million)	Jul		17,3	17,5
2.	9 : 00	HU Trade balance (detailed, monthly, EUR mn)	May		-	577*
	13 : 00	CZ Interest rate decision (%)	Aug		-	1,0
	13 : 00	UK Interest rate decision (%)	Aug		0,8	0,5
	16 : 00	US Factory orders (mom, %)	Jun		1,0	0,4
3.	9 : 00	HU Retail sales (first estimate, yoy, %)	Jun		-	7,1*
	11 : 00	EZ Retail sales (mom, %)	Jun		0,3	0,0
	14 : 30	US Unemployment rate (%)	Jul		3,9	4,0
	14 : 30	US Average earnings (yoy, %)	Jul		2,7	2,7
	14 : 30	US Average earnings (mom, %)	Jul		0,3	0,2
	14 : 30	US Non-farm payroll (mom, '000s)	Jul		195	213
	16 : 00	US ISM non-Manufacturing PMI (points)	Jul		59,0	59,1

* preliminary data

Sources: Reuters, OTP Research

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