

Global Daily Report



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Summary

- Wednesday's trading was pessimistic on both sides of the Atlantic
- The RUB weakened as the USA is to impose new sanctions against Russia
- Oil prices slipped on Wednesday

America' equity markets saw unenthusiastic investors on Wednesday, when major companies issued disappointing quarterly reports. The Dow shed 0.2%, the S&P500 stagnated, and the NASDAQ100 inched up 0.1%. The VIX (or 'fear') index, an indicator of market volatility fell 3.7%, to its lowest in the past seven months. One of the losers of the day, the IT infrastructure and networking company Extreme Networks, nose-dived 32% as its quarterly report revealed USD 5.6 million (or 5% per share) loss. Walt Disney shrank 1.1% in the aftermath of a disappointing quarterly report.

Most of Europe's indices also closed in the red: the DAX shed 0.4% and the Stoxx600 slipped 0.2%. The retail and health care sectors were ailing. Fears of a trade war between the USA and China also contributed the prevalent gloom.

The rouble depreciated 1.9% against the US dollar after a Russian political-economic daily published the draft bill on the planned US sanctions against Russia, submitted to Senate last week. US authorities also confirmed that Russia had used nerve agent to poison its former agent and his daughter, thereby violating the international law that bans chemical and biological weapons. This prompts the USA to impose a new round of sanctions on Russia on 22 August. To start with, American companies will be barred from exporting sensitive goods and technologies to Russia. If Russia fails to give reliable assurances that it will no longer use such substances, more painful sanctions will follow three months later, including the suspension of diplomatic relations, revoking Aeroflot's right to land in the USA, and drastically downsizing trade with Russia.

The US dollar slightly strengthened versus the euro.

Oil prices sank: the WTI fell 2.7% as US crude oil reserves shrank by less than had been thought.

	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	2857,7	0,0	6,9	VIX	10,9	-0,7	-2	WTI	66,9	-3,2	10,8
	DOW	25583,8	-0,2	3,5	US 2Y	2,67	0	78	Brent	72,28	-3,2	8,1
	Nasdaq100	7469,5	0,1	16,8	US 10Y	2,97	0	56	Gold	1213,2	0,2	-6,9
	DAX	12633,5	-0,1	-2,2	GER 2Y	-0,61	-2	3	Silver	15,38	0,4	-9,2
	CAC40	5501,9	-0,4	3,6	GER 10Y	0,40	-1	-3	EUR/USD	1,16	0,1	-3,2
	FTSE 100	7776,7	0,8	1,2	PT10Y	1,77	1	-16	EUR/GBP	0,90	0,5	1,5
	FTSE MIB	21790,3	-0,3	-0,3	IT 10Y	2,88	0	88	EUR/NOK	9,54	0,3	-3,1
	Stoxx600	389,7	-0,2	0,1	SP 10	1,42	1	-15	USD/CAD	1,30	-0,2	3,5
	- Banks	142,8	-0,1	-13,5	iTRAXX	64,0	0,8	42	AUD/USD	0,74	0,1	-4,7
	Nikkei 225	22644,3	-0,1	-0,5	JPY 2Y	-0,11	0	3	USD/JPY	110,97	-0,4	-1,5
	SSEC	2797,6	2,0	-15,4	JPY 10Y	0,12	0	7	GBP/USD	1,29	-0,4	-4,7
Regional	RTS	1113,8	-2,9	-3,5	RUS10	8,1	2,5	6	USD/RUB	65,569	3,3	13,7
	WIG20	2307,12	0,1	-6,3	POL 10	3,1	-0,3	-5	EUR/PLN	4,26	0,1	2,1
	PX50	1084,8	-0,2	0,6	CZ10	2,2	0,1	46	EUR/RON	4,638	-0,1	-0,8
Hungary	BUX	36954	-0,4	-6,2	3M DKJ	0,17	0	13	EUR/HUF	319,35	-0,1	2,8
	OTP	10650	0,0	-0,7	1Y	0,51	3	46	USD/HUF	275,01	-0,3	6,2
	MOL	2800	-1,8	-6,8	3Y	1,64	2	109	CHF/HUF	276,74	0,0	4,4
	MTelekom	416	0,5	-9,2	5Y	2,94	5	177	PLN/HUF	74,86	-0,3	0,8
	Richter	5165	1,0	-23,8	10Y	3,46	6	141	GBP/HUF	354,24	-0,6	1,4

* 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 8. 6.	8 : 00	DE Industrial orders (mom, %)	Jun	-4,0	-0,2	2,6
	10 : 30	EZ Sentix Investor confidence (points)	Aug	14,7	13,5	12,1
	14 : 00	RO Interest rate decision (%)	Jun	2,5	2,75	2,5
7.	8 : 00	DE Export (mom, %)	Jun	0,0	-0,4	1,8
	8 : 00	DE Industrial production (mom, %)	Jun	-0,9	-0,5	2,6
	9 : 00	HU Industrial production (preliminary, yoy, %)	Jun	4,2	-	0,4
	10 : 00	HU International reserves (preliminary, EURbn)	Jul	23,9	-	24,1
	11 : 00	HU Fiscal balance (monthly, billion HUF)	Jul	-70,4	-	-233,0
8.	9 : 00	HU Inflation (yoy, %)	Jul	3,4	3,2	3,1
	9 : 00	HU Core inflation (yoy, %)	Jul	2,4	-	2,4
9.	9 : 00	HU Trade balance (preliminary, monthly, EUR mn)	Jun		-	577
10.	9 : 00	HU Construction output (yoy, %)	Jun		-	15,1
	10 : 30	UK GDP (preliminary, yoy, %)	Q2		1,3	1,2
	10 : 30	UK GDP (preliminary, qoq, %)	Q2		0,4	0,2
	10 : 30	UK Industrial production (mom, %)	Jun		0,4	-0,4
	14 : 30	US CPI (yoy, %)	Jul		2,9	2,9
	14 : 30	US CPI (mom, %)	Jul		0,2	0,1
	14 : 30	US core-CPI (yoy, %)	Jul		2,3	2,3
	14 : 30	US core-CPI (mom, %)	Jul		0,2	0,2
	20 : 00	US Federal budget balance (USDbn)	Jul		-	-75,0
	1 : 50	JP GDP (annualized qoq, %)	Q2		1,4	-0,6

Sources: Reuters, OTP Research

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This document was prepared on 09 August 2018.

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