

Global Daily Report



Treasury Sales Team

+40372 31 85 88

sales.treasury@otpbank.ro

www.otpresearch.com

Summary

- The TRY's continued plunge soured investment sentiment worldwide
- Emerging market currencies weakened against the USD; the EUR/USD sank below 1.14 for a while
- Despite the drop in Venezuela's output, oil prices slipped; precious metal prices fell more than 1.5%
- China's NPL hit highest since the financial crisis

The Turkish lira lost 9% of its value against the US dollar on Monday. The Turkish market's nose-diving intensified risk aversion, causing negative sentiment on Monday. In America, the S&P500 dropped 0.5% and the NASDAQ100 shed 0.1%. Europe did not do any better: the DAX sank 0.5%, the FTSE100 slipped 0.3% while the CAC40 closed nearly flat. The stock prices of European banks with huge exposure to Turkey (BBVA, ING, and Unicredit) slid more than 3%.

In Central and Eastern Europe, Poland's WIG20 defied the global risk aversion, and advanced 0.6%.

This morning Japan's Nikkei surged 2.3%, but China's index edged lower as the quarterly figures released this morning missed expectations.

In the face of the general gloom and the adverse effects of big European banks to Turkey, the euro barely changed against the US dollar. The HUF remained stable against the key currencies. In emerging market currencies, the South African rand fell 3.3%, Brazil's slipped 1%, India's rupee dropped 1.4%, and the rouble shed 0.3% against the USD.

Even though Venezuela's oil petroleum production contracted stronger than had been thought (thus reducing global supply), WTI and Brent prices sank 0.5%, reflecting that the fears about the whole of the world economy's health more than offset the effect of lower supply.

Precious metals had bad day, with gold and silver losing 2% and 1.5% of their shine yesterday.

The non-performing loan ratio in China has reached its highest since 2009. In Q2 2018, the NPL ratio hit 1.86%, up from 1.75% in Q1. China's banking sector reported USD 150 billion after-tax profit, which translates into 6.37% surge in year/year comparison.

Bayer's share price nose-dived 10% as a San Francisco court fined Monsanto USD 289 million, for failing to inform customers that its Roundup weed killer was carcinogenic.

The head of Russia's State Duma made a case for reforming the pension system. Both the pension system and the budget run deficits, he argued, adding that this unsustainable twin deficit prompted the proposals for raising the retirement age from 55 to 63 for women by 2034 and from 60 to 65 by 2028. But the FOM pollster found that 80% of Russians oppose this idea.

Beating expectations, Hungary's GDP grew by 4.6% year/year in Q2, and 0.9% in quarter/quarter comparison. The Czech Republic's GDP reading of 2.3% missed forecasts, while the growth rates of Slovakia and Romania, at 4.1% each, surpassed expectations. Later in the day Poland and the eurozone will release GDP statistics, and the EZ's industrial production data will see the light of day.

	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	2821,9	-0,4	5,5	VIX	14,8	12,3	34	WTI	67,3	-0,5	11,4
	DOW	25187,7	-0,5	1,9	US 2Y	2,61	1	72	Brent	72,61	-0,3	8,6
	Nasdaq100	7401,2	-0,1	15,7	US 10Y	2,88	2	47	Gold	1193,2	-1,5	-8,4
	DAX	12358,7	-0,5	-4,3	GER 2Y	-0,65	1	-1	Silver	14,95	-2,1	-11,8
	CAC40	5412,3	0,0	1,9	GER 10Y	0,32	-1	-11	EUR/USD	1,14	0,0	-4,9
	FTSE 100	7642,5	-0,3	-0,6	PT10Y	1,86	6	-7	EUR/GBP	0,89	0,0	0,6
	FTSE MIB	20969,3	-0,6	-4,0	IT 10Y	3,10	11	110	EUR/NOK	9,54	0,0	-3,1
	Stoxx600	384,9	-0,2	-1,1	SP 10	1,47	3	-10	USD/CAD	1,31	-0,1	4,4
	- Banks	136,0	-1,3	-17,6	iTRAXX	69,4	2,2	54	AUD/USD	0,73	-0,5	-6,8
	Nikkei 225	22358,1	2,3	-1,8	JPY 2Y	-0,11	0	3	USD/JPY	110,71	-0,2	-1,7
	SSEC	2773,0	-0,5	-16,2	JPY 10Y	0,11	1	6	GBP/USD	1,28	0,0	-5,5
Regional	RTS	1059,8	0,3	-8,2	RUS10	8,5	1,8	11	USD/RUB	67,765	0,1	17,5
	WIG20	2260,88	0,6	-8,1	POL 10	3,2	0,4	-5	EUR/PLN	4,30	0,3	3,0
	PX50	1072,6	-0,1	-0,5	CZ10	2,2	0,0	45	EUR/RON	4,657	0,1	-0,4
Hungary	BUX	35694	-1,3	-9,4	3M DKJ	0,17	0	13	EUR/HUF	323,09	0,0	4,0
	OTP	10020	-2,1	-6,5	1Y	0,57	3	52	USD/HUF	283,09	0,0	9,4
	MOL	2774	0,3	-7,7	3Y	1,83	7	128	CHF/HUF	284,92	0,4	7,5
	MTelekom	403	-1,2	-12,0	5Y	3,12	13	195	PLN/HUF	74,86	-0,3	0,8
	Richter	5010	-2,5	-26,1	10Y	3,57	4	152	GBP/HUF	361,63	0,3	3,5

* 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. 13.	9 : 00	HU Industrial production (second estimate, yoy, %)	Jun	4,2	-	4,2*
	14. 4 : 00	CN Infrastructural spending (yoy, %)	Jul	5,5	13,5	6,0
	4 : 00	CN Industrial production (yoy, %)	Jun	6,0	6,30	6,0
	4 : 00	CN Retail sales (yoy, %)	Jul	8,8	9,0	9,0
	8 : 00	DE GDP (preliminary, yoy, %)	Q2	2,0	2,6	1,6
	8 : 00	DE CPI (final, yoy, %)	Jul	2,1	2,0	2,0*
	8 : 00	RO GDP (preliminary, yoy, %)	Q2	4,1	3,8	4,0
	9 : 00	CZ GDP (preliminary, yoy, %)	Q2	2,3		4,2
	9 : 00	HU GDP (preliminary, yoy, %)	Q2	4,6		4,4
	9 : 00	HU GDP (preliminary, qoq, %)	Q2	4,6		1,2
	9 : 00	SK GDP (preliminary, yoy, %)	Q2	4,1	3,7	3,6
	10 : 00	PL GDP (preliminary, yoy, %)	Q2			5,2
	11 : 00	DE ZEW Economic Sentiment (points)	Aug		-19,1	-24,7
	11 : 00	EZ GDP (preliminary, yoy, %)	Q2		2,1	2,1*
	11 : 00	EZ GDP (preliminary, qoq, %)	Q2		0,3	0,3*
	11 : 00	EZ Industrial production (mom, %)	Jun		-0,4	1,3
	15. 10 : 30	UK Inflation (yoy, %)	Jul		2,5	2,4
	10 : 30	UK Core inflation (yoy, %)	Jul		1,9	1,9
	14 : 30	US Retail sales (mom, %)	Jul		0,3	0,5
	14 : 30	US New York Fed Manufacturing index (points)	Aug		21,0	22,6
	15 : 15	US Industrial production (mom, %)	Jul		0,3	0,6
	16 : 00	US Business inventories (mom, %)	Jun		0,1	0,4
	16. 9 : 00	TR Industrial production (yoy, %)	Jun			6,4
	10 : 30	UK Retail sales (mom, %)	Jul		0,2	-0,5
	14 : 30	US Housing starts (annualized monthly, '000s)	Jul		1 250	1 173
	14 : 30	US Building permits (annualized monthly, '000s)	Jul		1 301	1 292
	17. 9 : 00	TR Consumer confidence (point)	Aug			73,1
	9 : 00	TR Retail sales (mom, %)	Jun			-1,3
	11 : 00	EZ CPI (final, yoy, %)	Jul		2,1	2,1*
	16 : 00	US Leading index (mom, %)	Jul		0,3	0,5
	16 : 00	US Michigan Consumer confidence (preliminary, points)	Aug		98,0	97,9
		HU S&P Credit Rating decision				BBB- (pozitív)

* preliminary data

Sources: Reuters, OTP Research

Chief Economist
Gergely Tardos
tardosg@otpbank.hu
+36 1 374 7273

Analyst
Dániel Módos
modosd@otpbank.hu
+36 1 301 2810

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