

# Global Daily Report



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### Summary

- Thursday's trading was rather unenthusiastic on both sides of the Atlantic
- Britain published advice papers on the impacts of no-deal Brexit
- The USD firmed against the EUR
- The US housing market data were disappointing

In Thursday's lacklustre US trading session, the Dow shed 0.3%, the S&P500 edged down 0.2%, and the NASDAQ nudged 0.1% lower. Ten of the S&P500's eleven sector indices ended in negative territory. One of the losers of the day, Sears Holdings fell 5.5% after the retail company announced to close 46 shops. In contrast, Williams-Sonoma, a consumer retail company shot up more than 15%, benefiting from the cheering data in its quarterly report.

Most indices in Europe closed in the red yesterday: the Stoxx600, the DAX and the FTSE100 all dropped 0.2%. Deutsche Bank's share price sank 1.7% as the Berenberg investment bank had confirmed its Sell recommendation for the stocks of Germany's largest financial institution. Ryanair skyrocketed 7.7% on news that pilots' trade union and the management had reached an agreement.

Britain published the first documents that set out the consequences of a no-deal Brexit. Brexit Minister Dominic Raab said that the lack of agreement would not shock the country, and pointed out that in that case Britain would be able to immediately cease its payments to the 2014-2020 EU budget. But the government's guidance outlines rather severe consequences: the extra paperwork for businesses, the return of duties and customs, and the changes to VAT may even bring about supply problems. The news sent the GBP to almost one-year low against the euro.

The dollar regained 0.4% from the euro. Simultaneously with the greenback's appreciation, the prices of gold (-0.9%) and silver (-1.8%) sank.

The US housing market statistics were disappointing. New home sales fell to a nine-month low of 627,000 in July, down from 631,000 in June, lagging significantly behind the market consensus of 650,000 transactions. Reasons for the dismal data may include the growing labour shortage and the rising raw material costs that hit the US construction industry. The August reading of Markit's purchasing manager indices for a number of important economies saw the light of day yesterday. The PMIs for the USA, Germany and the eurozone were short of expectations and lagged behind the previous months' gauges – one explanation could be the trade war threat. In the services sector, Germany's index surpassed analysts' consensus, and the eurozone's reading matched it. The US services sector's PMI undershot expectations. On the other hand, the manufacturing and services PMIs for France have beaten economists' projections.

Central bankers' meeting in Jackson Hole, Wyoming begins today. The Fed's chairman Jerome Powell will also speak in the symposium. The US durable goods orders statistics for July are also due out today.

	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	2857,0	-0,2	6,9	VIX	12,4	1,3	12	WTI	67,8	-0,1	12,3
	DOW	25657,0	-0,3	3,8	US 2Y	2,61	2	72	Brent	74,73	-0,1	11,8
	Nasdaq100	7413,8	-0,1	15,9	US 10Y	2,82	0	41	Gold	1184,9	-0,9	-9,0
	DAX	12365,6	-0,2	-4,3	GER 2Y	-0,61	1	3	Silver	14,47	-1,8	-14,6
	CAC40	5419,3	0,0	2,0	GER 10Y	0,34	-1	-8	EUR/USD	1,15	-0,5	-3,8
	FTSE 100	7563,2	-0,1	-1,6	PT10Y	1,81	0	-12	EUR/GBP	0,90	0,3	1,4
	FTSE MIB	20608,5	-0,4	-5,7	IT 10Y	3,10	5	110	EUR/NOK	9,68	0,1	-1,7
	Stoxx600	383,4	-0,2	-1,5	SP 10	1,39	-2	-18	USD/CAD	1,31	0,6	4,0
	- Banks	135,8	-0,7	-17,7	iTRAXX	66,7	0,0	48	AUD/USD	0,72	-1,4	-7,2
	Nikkei 225	22596,1	0,8	-0,7	JPY 2Y	-0,11	0	2	USD/JPY	111,28	0,7	-1,2
	SSEC	2727,0	0,1	-17,5	JPY 10Y	0,10	1	5	GBP/USD	1,28	-0,8	-5,2
Regional	RTS	1044,0	-2,0	-9,6	RUS10	8,7	0,6	14	USD/RUB	68,218	0,3	18,3
	WIG20	2322,86	1,2	-5,6	POL 10	3,2	0,0	-4	EUR/PLN	4,29	0,4	2,7
	PX50	1079,9	0,6	0,2	CZ10	2,1	-1,7	41	EUR/RON	4,632	-0,3	-1,0
Hungary	BUX	36186	-0,5	-8,1	3M DKJ	0,20	0	16	EUR/HUF	324,28	0,5	4,4
	OTP	10030	-1,1	-6,4	1Y	0,58	0	53	USD/HUF	280,87	1,0	8,5
	MOL	2802	-1,1	-6,8	3Y	1,66	1	111	CHF/HUF	284,71	0,7	7,4
	MTelekom	400	0,0	-12,7	5Y	2,88	-1	171	PLN/HUF	75,62	0,1	1,8
	Richter	5320	1,2	-21,5	10Y	3,38	3	133	GBP/HUF	359,87	0,2	3,0

\* 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. 21. 14 : 00	HU	Interest rate decision (%)	Aug	0,9	0,9	0,9
22. 9 : 00	HU	Gross wages (yoy, %)	Jun	11,2	-	10,9
16 : 00	US	Existing home sales (mom, %)	Jun	5340,0	5 400	5 380
20 : 00	US	FOMC Minutes	Aug		-	-
23. 2 : 30	JP	Nikkei Manufacturing PMI (points)	Aug	52,5	-	52,3
9 : 15	FR	Markit Manufacturing PMI (points)	Aug	53,7	53,5	53,3
9 : 15	FR	Markit Service PMI (points)	Aug	55,7	55,1	54,9
9 : 30	DE	Markit Manufacturing PMI (points)	Aug	56,1	56,5	57,3
9 : 30	DE	Markit Service PMI (points)	Aug	55,7	54,3	54,1
10 : 00	EZ	Markit Manufacturing PMI (points)	Aug	54,6	55,0	55,1
10 : 00	EZ	Markit Service PMI (points)	Aug	54,4	54,4	54,2
13 : 30	EZ	ECB Minutes	Jul		-	-
15 : 45	US	Markit Manufacturing PMI (points)	Aug	54,5	55,2	55,3
15 : 45	US	Markit Service PMI (points)	Aug	55,2	56,0	56,0
16 : 00	EZ	Consumer confidence index (flash, points)	Aug	-1,9	-0,6	-0,6
16 : 00	US	New home sales (annualized monthly, '000s)	Jul	627,0	650	631
	US	Jackson Hole Economic Symposium	-		-	-
24. 1 : 30	JP	CPI (yoy, %)	Jul	0,9	-	0,7
1 : 30	JP	core-CPI (yoy, %)	Jul	0,8	0,9	0,8
8 : 00	DE	GDP (detailed, yoy, %)	Q2	2,0	2,0	2,0*
14 : 30	US	Durable goods orders (mom, %)	Jul		0,8	0,8

\* preliminary data

Sources: Reuters, OTP Research

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