

Global Daily Report



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Summary

- Carmakers' rally continued on Tuesday.
- America's stock markets closed at new highs on Monday.
- The TRY's weakening continued.

While reports on the failed Sino-American negotiations lessened investors' risk appetite last week, the USA's trade deal with Mexico is boosting market optimism this week. Western Europe's brightest performer was the FTSE100 in London, while the 10Y British government bond yield grew by 18 basis points, to 1.45%. Much of the rise in yields can be attributed to the increasing probability of a no-deal Brexit. The car industry continued to fuel stock markets' growth yesterday. Second to it were mining companies. The financial sector was ailing all day.

In Italy, Deputy Prime Minister Luigi Di Maio caused anxiety by saying that Italy's public debt might exceed 3% of GDP next year. The 10Y Italian government bond yield (3.19%) is still near its four-year high, and the Milan stock exchange sank 1% on Tuesday. Later in the week, Italy is likely to keep investors anxious: Fitch will review Italy's debt rating on Friday. Any downgrade from the current BBB level would send bond yields even higher.

In New York, stock indices inched higher on Tuesday: the S&P500 and the NASDAQ100 both closed at all-time highs. In the corporate world, Toyota is to invest USD 500 million in Uber, to jointly develop self-driving cars. This puts Uber's valuation to USD 72 billion, by far exceeding previous assessments.

The Turkish lira seems to be diverging from other currencies of the CEE region. The TRY's depreciation against the key currencies continued yesterday. According to the Wall Street Journal's sources, Germany might be prepared to provide financial aid to Turkey, to avoid the latter's collapse. Meanwhile the CEE region's currencies could somewhat firm against the US dollar, but practically flat-lined against the euro. The euro took the upper hand against the US dollar yesterday, with the EUR/USD closing at 1.17. In contrast, the Mexican peso could not keep pace with the greenback, and wiped off the previous three days' gains in a single day.

The Brent and the WTI inched down, while many industrial metal prices nudged higher. The most important precious metals, gold and silver, lost some of their value.

This morning's Asian trading lacked a single direction: the Nikkei225 upped 0.2%, while China's Shanghai Composite stood 0.5% in the red an hour before the close.

The USA is to publish important statistics today, including the breakdown of Q2 GDP, housing market data and oil inventory updates. Markets may react to any developments in the North American Free Trade Agreement, as Canada's Foreign Minister Chrystia Freeland arrived at Washington to negotiate, encouraged by the successful talks between Mexico and the USA.

	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	2897,5	0,0	8,4	VIX	12,5	2,8	13	WTI	68,6	-0,5	13,5
	DOW	26064,0	0,1	5,4	US 2Y	2,67	2	77	Brent	75,95	-0,3	13,6
	Nasdaq100	7570,3	0,1	18,4	US 10Y	2,88	3	47	Gold	1200,9	-0,8	-7,8
	DAX	12527,4	-0,1	-3,0	GER 2Y	-0,59	1	5	Silver	14,66	-1,3	-13,5
	CAC40	5485,0	0,1	3,2	GER 10Y	0,38	0	-4	EUR/USD	1,17	0,1	-2,5
	FTSE 100	7617,2	0,5	-0,9	PT10Y	1,89	2	-4	EUR/GBP	0,91	0,2	2,2
	FTSE MIB	20620,1	-0,9	-5,6	IT 10Y	3,18	2	119	EUR/NOK	9,76	0,4	-0,9
	Stoxx600	385,5	0,0	-1,0	SP 10	1,48	4	-9	USD/CAD	1,29	-0,3	2,8
	- Banks	137,2	-0,2	-16,9	iTRAXX	65,0	-1,4	44	AUD/USD	0,73	-0,2	-5,9
	Nikkei 225	22854,5	0,2	0,4	JPY 2Y	-0,11	0	2	USD/JPY	111,18	0,1	-1,3
SSEC	2769,2	-0,3	-16,3	JPY 10Y	0,10	0	5	GBP/USD	1,29	-0,1	-4,7	
Regional	RTS	1078,3	-0,5	-6,6	RUS10	8,7	0,0	14	USD/RUB	67,866	0,7	17,7
	WIG20	2390,42	0,9	-2,9	POL 10	3,2	0,3	-3	EUR/PLN	4,27	0,0	2,3
	PX50	1079,6	0,3	0,1	CZ10	2,1	1,1	39	EUR/RON	4,641	-0,1	-0,8
Hungary	BUX	36819	0,4	-6,5	3M DKJ	0,20	0	16	EUR/HUF	323,74	0,0	4,3
	OTP	10200	0,0	-4,9	1Y	0,58	0	53	USD/HUF	276,73	-0,2	6,9
	MOL	2880	0,8	-4,2	3Y	1,66	-1	111	CHF/HUF	283,24	0,2	6,9
	MTelekom	404	0,1	-11,8	5Y	2,87	1	170	PLN/HUF	75,75	0,0	2,0
	Richter	5380	0,5	-20,6	10Y	3,40	1	135	GBP/HUF	355,97	-0,3	1,9

* 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. 27.	10 : 00 DE	IFO Economic sentiment index (points)	Aug	103,8	102,0	101,7
	28. 15 : 00 US	Case-Shiller Home Price Index (yoy, %)	Jun	6,3	6,5	6,5
	16 : 00 US	Consumer confidence (point)	Jun	133,4	126,7	127,4
	29. 9 : 00 HU	Unemployment rate (%)	Jul		-	3,6
	14 : 30 US	GDP (second estimate, annualized, yoy, %)	Q2		4,0	4,1*
	16 : 00 US	Pending home sales (mom, %)	Jul		0,3	0,9
	30. 9 : 00 HU	Investment (yoy, %)	Q2		-	17,0
	11 : 00 EZ	EC Economic Sentiment Index (points)	Aug		112,2	112,1
	14 : 00 DE	CPI (flash, yoy, %)	Aug		2,0	2,0
	14 : 30 US	Personal income (mom, %)	Jul		0,3	0,4
	14 : 30 US	Personal consumption (adjusted, mom, %)	Jul		0,4	0,4
	31. 3 : 00 CN	NBS Manufacturing PMI (points)	Aug		51,0	51,2
	3 : 00 CN	NBS non-Manufacturing PMI (points)	Aug		-	54,0
	8 : 00 DE	Retail sales (mom, %)	Jul		0,0	1,2
	9 : 00 HU	Industrial producer prices (yoy, %)	Jul		-	7,5
	9 : 00 HU	Trade balance (detailed, monthly, EUR mn)	Jun		-	1070*
	11 : 00 EZ	CPI (flash, yoy, %)	Aug		2,1	2,1
	11 : 00 EZ	Core CPI (flash, yoy, %)	Aug		1,1	1,1
	11 : 00 EZ	Unemployment rate (%)	Jul		8,2	8,3
	15 : 45 US	Chicago PMI (points)	Aug		63,0	65,5

* preliminary data

Sources: Reuters, OTP Research

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