

Global Daily Report



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Summary

- Thursday's trading sentiment was rather unsupportive on the world's equity markets
- Trade war tensions are intensifying again
- The Argentine peso lost 14% of its value yesterday

Amid Thursday's unsupportive sentiment in America, stock indices slumped, ending a four-day winning streak. The Dow slipped 0.5%, the S&P500 lost 0.4%, and the NASDAQ100 sank 0.2%. One of the losers of the day in the corporate world, the Campbell Soup food company saw its share price fall 2.6%, as its quarterly earnings revealed depressing sales figures. In contrast, Apple's share price grew by 0.8% after announcing an event to present the latest iPhone model.

Europe's indices also closed in the red: the Stoxx600 dropped 0.3% and the DAX fell 0.5%. Italian stocks were ailing, due to reports that the eurosceptic government coalition submits a budget bill that disregards EU deficit rules.

Last night Canada's foreign minister Chrystia Freeland met American officials to resolve bilateral trade relations. A successful deal could lead to the renewal of NAFTA, a trilateral agreement of USA, Canada, and Mexico. Nevertheless, the USA-China trade war standoff is likely to intensify. According to Bloomberg's sources, Donald Trump is planning to impose a new round of tariffs, amounting to USD 200 billion, maybe as early as next week. In a Thursday afternoon interview, President Trump said he was considering a proposal to link capital gains tax to inflation. This would correspond to a tax reduction, as the proposal would tax only capital gains adjusted for inflation. In the same interview, the president made strong statements, which may be a sign of a further escalation of the trade war. Donald Trump said he would withdraw the USA from the WTO if the organization fails to better serve America's interests. Donald Trump reiterated his support for the weak US dollar, and strongly criticized the EU for the euro's weakening and the block's protectionist measures in agriculture.

Argentina's peso (ARS) nose-dived nearly 14% versus the USD yesterday, despite the Argentine central bank's move to lift the benchmark rate from 45% to 60%. This drastic measure was necessary after President Mauricio Marci announced on Wednesday to request the IMF for the early disbursement of a standby facility of USD 50 billion. The president meant to restore investor confidence but investors reacted negatively. The Turkish lira fell 3.3% against the US dollar on the back of reports that the deputy governor of Turkey's central bank is to resign. The global headwinds left their mark on the forint, which shed 0.4% against the EUR; last night the EUR/HUF exceeded the 327 mark.

The dollar firmed 0.4% against the euro yesterday. Gold price (-0.5%) sank for the third day in a row on Thursday.

America's and Germany's government bond yields fell: that on the 10Y US Treasury note dropped 2.2 basis points, and its German peer came down 6.1 basis points.

In the USA, the July reading of personal income (0.3%) and consumption (+0.4%) matched expectations. This morning China released encouraging purchasing managers' indices. The manufacturing PMI hit 51.3, beating analysts' forecast by 0.3 ppts, and the non-manufacturing indicator was at 54.2, up from 54.0 in the previous month. Germany's retail sales data disappointed: its volume shrank by 0.4% in July, whereas it had expanded by 0.9% in the previous month.

The preliminary inflation statistics for August and the unemployment rate for July are due out in the eurozone 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	2901,1	-0,4	8,5	VIX	13,5	10,4	23	WTI	70,3	1,1	16,3
	DOW	25986,9	-0,5	5,1	US 2Y	2,65	-2	76	Brent	77,77	0,8	16,3
	Nasdaq100	7642,7	-0,2	19,5	US 10Y	2,86	-2	45	Gold	1199,5	-0,6	-7,9
	DAX	12494,2	-0,5	-3,3	GER 2Y	-0,62	-3	2	Silver	14,53	-1,3	-14,2
	CAC40	5478,1	-0,4	3,1	GER 10Y	0,35	-6	-8	EUR/USD	1,17	-0,3	-2,7
	FTSE 100	7516,0	-0,6	-2,2	PT10Y	1,94	2	1	EUR/GBP	0,90	-0,2	1,0
	FTSE MIB	20495,1	-1,3	-6,2	IT 10Y	3,20	7	120	EUR/NOK	9,74	-0,2	-1,1
	Stoxx600	385,4	-0,3	-1,0	SP 10	1,49	0	-8	USD/CAD	1,30	0,6	3,2
	- Banks	135,5	-1,3	-17,9	iTRAXX	67,3	2,4	49	AUD/USD	0,73	-0,6	-6,9
	Nikkei 225	22881,7	0,1	0,5	JPY 2Y	-0,11	0	3	USD/JPY	110,96	-0,6	-1,5
	SSEC	2744,0	0,2	-17,0	JPY 10Y	0,10	-1	5	GBP/USD	1,30	-0,1	-3,7
Regional	RTS	1075,6	-0,9	-6,8	RUS10	8,7	0,6	15	USD/RUB	68,204	0,5	18,3
	WIG20	2353,92	-1,1	-4,4	POL 10	3,1	-0,5	-5	EUR/PLN	4,30	0,3	2,9
	PX50	1078,2	-0,1	0,0	CZ10	2,1	-0,9	38	EUR/RON	4,645	0,4	-0,7
Hungary	BUX	37225	0,0	-5,5	3M DKJ	0,20	0	16	EUR/HUF	326,76	0,4	5,2
	OTP	10350	-1,1	-3,5	1Y	0,59	1	54	USD/HUF	279,90	0,6	8,1
	MOL	2894	1,0	-3,7	3Y	1,67	2	112	CHF/HUF	288,55	0,8	8,9
	MTelekom	415	0,7	-9,4	5Y	2,89	3	172	PLN/HUF	76,02	0,2	2,3
	Richter	5450	0,2	-19,6	10Y	3,48	10	144	GBP/HUF	364,19	0,6	4,2

* 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 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	-	3,6
	14 : 30	US GDP (second estimate, annualized, yoy, %)	Q2	4,2	4,0	4,1*
	16 : 00	US Pending home sales (mom, %)	Jul	-0,7	0,3	0,9
30.	9 : 00	HU Investment (yoy, %)	Q2	15,3	-	17,0
	11 : 00	EZ EC Economic Sentiment Index (points)	Aug	111,6	112,2	112,1
	14 : 00	DE CPI (flash, yoy, %)	Aug	2,0	2,0	2,0
	14 : 30	US Personal income (mom, %)	Jul	0,3	0,3	0,4
	14 : 30	US Personal consumption (adjusted, mom, %)	Jul	0,4	0,4	0,4
31.	3 : 00	CN NBS Manufacturing PMI (points)	Aug	51,3	51,0	51,2
	3 : 00	CN NBS non-Manufacturing PMI (points)	Aug	54,2	-	54,0
	8 : 00	DE Retail sales (mom, %)	Jul	-0,4	-	0,9
	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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