

Global Daily Report



Treasury Sales Team

+40372 31 85 88

sales.treasury@otpbank.ro

www.otpresearch.com

Summary

- Trade war fears have returned to markets.
- The developed world's stock markets closed in the red yesterday.
- EM currencies did not do well on Tuesday.
- Detailed GDP data for Q2 are due out across Europe today.

Donald Trump's plan to impose tariffs on another USD 200 billion worth of Chinese goods rekindled trade war fears. The measure may take effect before the end of this week, and on past form, China is unlikely to wait long before taking action. Meanwhile, emerging economies kept investors active: while Turkey's economy is teetering on the edge, South Africa raised a few eyebrows by publishing disappointing quarter-over-quarter GDP data, which indicated recession.

Western Europe's stock markets continued their losing streak yesterday. US markets picked up at the end of the day, but could not wipe out all losses. In addition to the latest chapter in the trade war, corporate news reports also made their impact. Nike's share price (-3.2%) was torn by the scandal about its controversial new ad. Following the tech giant Apple, Amazon (+1.3%) became the second American company to exceed the 1,000-billion-dollar market capitalization. Goldman Sachs issued Sell recommendation for Tesla (-4.2%). Facebook's (-2.6%) recent scandals continue to fret investors.

The US 10Y Treasury note rose by three basis points, to 2.9%, while the Germany 10Y Bund yields upped two basis points, to 0.36%.

The pessimism did not leave Asia unaffected. Hong Kong's Hang Seng was the weakest index, standing more than 2% in the red ahead of the close. The USD/JPY barely moved this morning.

Emerging currencies were going through a rough patch yesterday. The Turkish lira's several-month-long ailing continued. South Africa published unusually weak GDP figure, thus its currency the rand nose-dived, sending the EUR/ZAR 3.0% higher. The dollar's strengthening sent the EUR/USD 0.4% lower on Tuesday.

Crude oil prices rose steeply on the back of news that two oil rigs were evacuated in the Gulf of Mexico, which gives almost one-fifth of the USA's oil production, in preparation for hurricane Gordon. But the direction of trading reversed later in the day, and crude oil price fell below the morning's level. The most important industrial metals and silver stood 2% in the red, while gold price fell almost 1%.

The August reading of the ISM manufacturing purchasing managers' index rose to a 14-year high of 61.3, surpassing forecasts of 57.7.

Today a number of EU countries will release the breakdown of Q2 GDP data.

| | 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 | 2896,7 | -0,2 | 8,3 | VIX | 13,2 | 2,3 | 19 | WTI | 69,4 | -1,0 | 14,9 |
| | DOW | 25952,5 | 0,0 | 5,0 | US 2Y | 2,66 | 3 | 77 | Brent | 78,17 | 0,0 | 16,9 |
| | Nasdaq100 | 7622,3 | -0,4 | 19,2 | US 10Y | 2,90 | 5 | 49 | Gold | 1191,0 | -0,8 | -8,6 |
| | DAX | 12210,2 | -1,1 | -5,5 | GER 2Y | -0,60 | 2 | 4 | Silver | 14,08 | -2,6 | -16,9 |
| | CAC40 | 5342,7 | -1,3 | 0,6 | GER 10Y | 0,36 | 2 | -7 | EUR/USD | 1,16 | -0,4 | -3,5 |
| | FTSE 100 | 7457,9 | -0,6 | -3,0 | PT10Y | 1,88 | -6 | -5 | EUR/GBP | 0,90 | -0,2 | 1,4 |
| | FTSE MIB | 20601,0 | 1,0 | -5,7 | IT 10Y | 3,04 | -15 | 104 | EUR/NOK | 9,72 | 0,1 | -1,3 |
| | Stoxx600 | 379,8 | -0,7 | -2,4 | SP 10 | 1,47 | -2 | -11 | USD/CAD | 1,32 | 0,7 | 4,8 |
| | - Banks | 134,5 | 0,1 | -18,5 | iTRAXX | 68,0 | -0,5 | 51 | AUD/USD | 0,72 | -0,5 | -8,0 |
| | Nikkei 225 | 22599,0 | -0,4 | -0,7 | JPY 2Y | -0,11 | 0 | 2 | USD/JPY | 111,44 | 0,3 | -1,1 |
| SSEC | 2726,1 | -0,9 | -17,6 | JPY 10Y | 0,12 | 0 | 7 | GBP/USD | 1,29 | -0,1 | -4,9 | |
| Regional | RTS | 1082,2 | -0,3 | -6,3 | RUS10 | 8,8 | 1,3 | 16 | USD/RUB | 68,070 | 0,2 | 18,1 |
| | WIG20 | 2321,24 | -1,5 | -5,7 | POL 10 | 3,2 | 0,2 | -3 | EUR/PLN | 4,31 | 0,4 | 3,2 |
| | PX50 | 1073,9 | 0,1 | -0,4 | CZ10 | 2,1 | -0,3 | 37 | EUR/RON | 4,628 | 0,0 | -1,1 |
| Hungary | BUX | 36968 | 0,0 | -6,1 | 3M DKJ | 0,20 | 0 | 16 | EUR/HUF | 327,63 | 0,3 | 5,5 |
| | OTP | 10210 | -0,3 | -4,8 | 1Y | 0,60 | 4 | 55 | USD/HUF | 282,89 | 0,6 | 9,3 |
| | MOL | 2906 | 1,5 | -3,3 | 3Y | 1,68 | 1 | 113 | CHF/HUF | 290,25 | 0,1 | 9,5 |
| | MTelekom | 415 | 0,4 | -9,4 | 5Y | 2,96 | 4 | 179 | PLN/HUF | 75,98 | -0,1 | 2,3 |
| | Richter | 5350 | -1,9 | -21,1 | 10Y | 3,53 | 4 | 149 | GBP/HUF | 363,47 | 0,5 | 4,0 |

* 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 9. 3. | 2 : 30 | JP Nikkei Manufacturing PMI (points) | Aug | 51,9 | - | 52,5 |
| | 9 : 00 | HU Manufacturing PMI (points) | Aug | 56,2 | - | 53,1 |
| | 9 : 00 | TR Inflation (mom, %) | Jun | 2,3 | 2,2 | 0,6 |
| | 9 : 00 | TR Inflation (yoy, %) | Aug | 17,9 | 17,8 | 15,9 |
| 4. | 16 : 00 | US ISM Manufacturing PMI (points) | Aug | 61,3 | 57,7 | 58,1 |
| | 16 : 00 | US Construction expenditure (mom, %) | Jul | 0,1 | 0,5 | -1,1 |
| | 21 : 30 | US Vehicle sales (annualized monthly, million) | Aug | 16,7 | 16,8 | 16,8 |
| 5. | 9 : 00 | HU Retail sales (first estimate, yoy, %) | Jul | | - | 6,8 |
| | 9 : 00 | HU GDP (detailed, yoy, %) | Q2 | | 4,6 | 4,6* |
| | 9 : 00 | HU GDP (detailed, qoq, %) | Q2 | | 0,9 | 0,9* |
| | 11 : 00 | EZ Retail sales (mom, %) | Jul | | -0,2 | 0,3 |
| | 14 : 00 | PL Interest rate decision (%) | Sept | | - | 1,5 |
| 6. | 8 : 00 | DE Industrial orders (mom, %) | Jul | | 2,1 | -4,0 |
| | 9 : 00 | HU Industrial production (preliminary, yoy, %) | Jul | | - | 4,2 |
| | 14 : 15 | US ADP non-farm employment (mom, '000s) | Aug | | 187 | 219 |
| | 16 : 00 | US Factory orders (mom, %) | Jul | | -0,5 | 0,7 |
| | 16 : 00 | US ISM non-Manufacturing PMI (points) | Aug | | 56,0 | 55,7 |
| 7. | 8 : 00 | DE Export (mom, %) | Jul | | 0,5 | 0,0 |
| | 8 : 00 | DE Industrial production (mom, %) | Jul | | 0,2 | -0,9 |
| | 9 : 00 | HU Trade balance (preliminary, monthly, EUR mn) | Jul | | - | 1070 |
| | 10 : 00 | HU International reserves (preliminary, EURbn) | Aug | | - | 23,9 |
| | 11 : 00 | EZ GDP (detailed, qoq, %) | Q2 | | 0,4 | 0,4* |
| | 11 : 00 | EZ GDP (detailed, yoy, %) | Q2 | | 2,2 | 2,2* |
| | 11 : 00 | HU Fiscal balance (monthly, billion HUF) | Aug | | - | -70,4 |
| | 14 : 30 | US Unemployment rate (%) | Aug | | 3,9 | 3,9 |
| | 14 : 30 | US Average earnings (yoy, %) | Aug | | 2,8 | 2,7 |
| | 14 : 30 | US Average earnings (mom, %) | Aug | | 0,3 | 0,3 |
| | 14 : 30 | US Non-farm payroll (mom, '000s) | Aug | | 187,0 | 157,0 |
| 9. | 0 : 0 | SE Swedish parliamentary elections | Sept | | | |

* preliminary data

Sources: Reuters, OTP Research

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

Analyst
Beáta Váradi
varadibe@otpbank.hu
+36 1 374 7271

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