



### Summary

- Thursday's trading was rather pessimistic on both sides of the Atlantic
- Trade war tensions have intensified
- Germany and the US released disappointing macro statistics

Amid the intensified trade war fears and anxiety over emerging markets, America's stock indices moved mixed: the Dow inched up 0.1%, while the S&P500 shed 0.4% and the Nasdaq slid 1.3%. The losers of the day were the energy sector and tech shares.

The already sour trading sentiment on Europe's stock markets was exacerbated by trade war fears and concerns surrounding emerging markets. The Stoxx600 slipped 0.6%, to 375.1, its lowest reading since early April. The DAX dropped by 0.7%, and the FTSE100 sank 0.9%. In the corporate world, one of the winners of the day was France's Safran, whose shares soared 6.4% as the aircraft engine and equipment maker revised up its target for this year.

The USA and Canada continued trade talks to renew NAFTA but the President Trump's words, suggesting that he might move forward without Canada, do not bode well for reaching an agreement. Meanwhile, the latest round of US tariffs on USD 200 billion worth of Chinese goods may be introduced before the end of this week. China's trade ministry announced to take retaliatory measures in response to Washington's protectionist moves.

There were significant tensions on emerging markets. The rouble depreciated 1.2%, to a 30-month low against the USD, while investors fear that the Skripal poisoning may lead to new sanctions against Russia. Argentinians are taking to the streets, protesting austerity measures and the IMF, with whom Argentina signed an agreement about a 50-billion-dollar standby facility at the beginning of June. Argentina urges faster loan reimbursement; its government representatives are in Washington to negotiate with the IMF.

The euro lost some ground to the greenback.

The macroeconomic statistics released in Germany and the USA were disappointing. US factory orders contracted by 0.8%, reversing the 0.7% growth gauged in the previous month. The indicator was dragged down by the 35.4% dive in the highly volatile 'aircraft and related parts' orders. The ADP non-farm employment figure grew by 163,000 in August, wrong-footing analysts who had forecast 187,000 expansion. German exports contracted by 0.9% in July in month/month terms, whereas economists had projected 0.5% rise. Germany's industrial production volume shrank by 1.1%, as opposed to the expected 0.2% increase, but this is likely to be a temporary decline, caused by trade war fears, the summer shutdown, and stock-building in the first half of the year.

Today the USA will release important labour market data. The second estimate on the eurozone's Q2 GDP is due out in Europe. Sunday's parliamentary elections in Sweden are worth keeping an eye on as the eurosceptic right-wing Swedish Democrats are likely to make big gains.

	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	2878,1	-0,4	7,6	VIX	14,7	5,3	33	WTI	67,8	-1,4	12,2
	DOW	25995,9	0,1	5,2	US 2Y	2,64	-1	75	Brent	76,50	-1,0	14,4
	Nasdaq100	7453,2	-0,9	16,5	US 10Y	2,88	-3	47	Gold	1199,8	0,3	-7,9
	DAX	11955,3	-0,7	-7,5	GER 2Y	-0,58	-1	5	Silver	14,12	-0,3	-16,7
	CAC40	5243,8	-0,3	-1,3	GER 10Y	0,35	-3	-7	EUR/USD	1,16	-0,1	-3,1
	FTSE 100	7319,0	-0,9	-4,8	PT10Y	1,90	0	-3	EUR/GBP	0,90	-0,3	1,2
	FTSE MIB	20527,2	-0,3	-6,1	IT 10Y	2,90	-4	91	EUR/NOK	9,79	0,2	-0,6
	Stoxx600	373,5	-0,6	-4,0	SP 10	1,47	-1	-10	USD/CAD	1,31	-0,3	4,5
	- Banks	134,7	-0,8	-18,4	iTRAXX	65,4	-1,0	45	AUD/USD	0,72	0,2	-7,7
	Nikkei 225	22304,3	-0,8	-2,0	JPY 2Y	-0,11	1	3	USD/JPY	110,74	-0,7	-1,7
	SSEC	2699,7	0,3	-18,4	JPY 10Y	0,11	0	6	GBP/USD	1,29	0,2	-4,3
Regional	RTS	1054,4	-1,4	-8,7	RUS10	9,2	2,9	21	USD/RUB	69,197	1,5	20,0
	WIG20	2293,01	-0,1	-6,8	POL 10	3,3	1,6	0	EUR/PLN	4,32	-0,1	3,5
	PX50	1063,6	-0,1	-1,4	CZ10	2,1	0,0	38	EUR/RON	4,637	0,1	-0,9
Hungary	BUX	37242	0,3	-5,4	3M DKJ	0,21	1	17	EUR/HUF	325,75	-0,5	4,9
	OTP	10350	0,5	-3,5	1Y	0,61	1	56	USD/HUF	280,32	-0,4	8,3
	MOL	2962	0,7	-1,4	3Y	1,70	0	115	CHF/HUF	290,27	0,3	9,5
	MTelekom	414	0,1	-9,6	5Y	3,02	-1	185	PLN/HUF	75,34	-0,4	1,4
	Richter	5245	-0,8	-22,6	10Y	3,53	-1	149	GBP/HUF	362,26	-0,2	3,7

\* 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	5,3	-	6,8
	9 : 00	HU GDP (detailed, yoy, %)	Q2	4,8	4,6	4,6*
	9 : 00	HU GDP (detailed, qoq, %)	Q2	1,0	0,9	0,9*
	11 : 00	EZ Retail sales (mom, %)	Jul	-0,2	-0,2	0,3
	14 : 00	PL Interest rate decision (%)	Sept	1,5	-	1,5
6.	8 : 00	DE Industrial orders (mom, %)	Jul	-0,9	1,8	-4,0
	9 : 00	HU Industrial production (preliminary, yoy, %)	Jul	6,2	-	4,2
	14 : 15	US ADP non-farm employment (mom, '000s)	Aug	163,0	187	219
	16 : 00	US Factory orders (mom, %)	Jul	-0,8	-0,5	0,7
	16 : 00	US ISM non-Manufacturing PMI (points)	Aug	58,5	56,0	55,7
7.	8 : 00	DE Export (mom, %)	Jul	-0,9	0,5	0,0
	8 : 00	DE Industrial production (mom, %)	Jul	-1,1	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

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