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Global Daily Report

Summary

- Developed stock markets had a rather unenthusiastic day.
- The EUR/USD rose to 1,145 after the minutes of the latest ECB meeting were released.
- Today investors are likely to watch US job market data and the G20 summit in Hamburg, where President Trump and President Putin will meet for the first time

Stock markets fell in Thursday's gloomy trading on both sides of the Atlantic. News on North Korea's nuclear tests, coupled with the unfavourable corporate headlines, dragged down share prices: Tesla continued its nose-dive, adding 6% to its losses, while GE plunged just as sharply as the USD 22 target price JP Morgan had set for its share price was 20% below the current market price, and maintained the Sell recommendation. Milan's stock exchange was the only one in Western Europe to see gain, probably as the European Commission gave green light to Italy's plan to rescue Monte dei Paschi di Siena bank. By 2040, France is planning to ban sales of new passenger cars with purely internal combustion engines, environment minister Nicolas Hulot said. This morning's trading in Asia follows the direction advanced markets set yesterday.

The euro appreciated as the most recent minutes of the ECB suggested that central bankers were unanimous in dropping the reference to further monetary easing from the post-meeting statement, and they deem it important to signal the timetable for tapering the asset purchases in the near future. The EUR/USD climbed to 1.145 yesterday, but a favourable reading of today's US job market data may cause a downward correction in the cross.

During his tour in Europe, yesterday President Trump mentioned in Poland the potential to reduce the country's dependency on Russian energy, and for the first time since his election, today he will meet Russia's President Vladimir Putin at the G20 summit in Hamburg.

Today investors are likely to keep tabs on the developments of the Trump-Putin summit and the US labour markets figures for June. Concerning the latter, wage growth is expected to have accelerated. A stronger-than-expected reading may bring about a downward correction in the EUR/USD. Germany's industrial production figure, published this morning, came in better than analysts had expected.

	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	2409,8	-0,9	7,6	VIX	12,5	13,3	-11	WTI	45,41	0,6	-15,5
	DOW	21320,0	-0,7	7,9	US 2Y	1,41	-0,8	21	Brent	48,11	0,7	-15,3
	Nasdaq100	5597,9	-0,9	15,1	US 10Y	2,37	3,5	-6	Gold	1224,7	-0,1	6,4
	DAX	12381,3	-0,6	7,8	GER 2Y	-0,58	2,7	22	Silver	16,00	-0,3	0,4
	CAC40	5152,4	-0,5	6,0	GER 10Y	0,56	8,9	35	EUR/USD	1,1422	0,6	8,6
	FTSE 100	7337,3	-0,4	2,7	PT10Y	3,06	9,4	-70	EUR/GBP	0,8804	0,3	3,4
	FTSE MIB	21084,2	0,7	9,6	IT 10Y	2,27	13,7	45	EUR/NOK	9,5361	0,1	5,0
	Stoxx600	380,4	-0,7	5,3	SP 10	1,67	10,5	28	USD/CAD	1,2976	0,2	-3,4
	- Banks	160,3	1,3	19,5	iTRAXX	56,0	1,3	-23	AUD/USD	0,7585	-0,2	5,1
	Nikkei 225	19929,1	-0,3	4,3	JPY 2Y	-0,10	0,5	8	USD/JPY	113,20	0,0	-3,1
SSEC	3130,4	-2,6	0,9	JPY 10Y	0,09	-0,8	4	GBP/USD	1,2969	0,3	5,1	
Regional	RTS	1011,8	0,4	-12,2	RUS10	7,85	0,8	-6	USD/RUB	60,090	0,2	-2
	WIG20	2300,74	-0,3	18,1	POL 10	3,41	2,6	-6	EUR/PLN	4,2369	0,2	-3,8
	PX50	986,8	0,0	7,1	CZ10	1,02	0,0	119	EUR/RON	4,5890	0,0	1,2
Hungary	BUX	35615	0,9	11,3	3M TB	0,10	0	-6	EUR/HUF	308,03	-0,2	-0,3
	OTP	9505	1,4	13,2	1Y	0,20	0	2	USD/HUF	269,73	-0,8	-8,1
	MOL	21305	1,2	3,2	3Y	0,82	4	-4	CHF/HUF	281,23	-0,3	-2,3
	MTelekom	471	0,9	-5,4	5Y	1,93	5	16	PLN/HUF	72,700	-0,4	3,8
	Richter	6844	-0,1	10,2	10Y	3,22	6	2	GBP/HUF	349,73	-0,5	-3

* In the case of bond yields, the change is in basis points instead of percentage (VIX and ITRAXX not included).

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2017 7. 3.	2 : 30 JP	Nikkei Manufacturing PMI (points)	June	52,4	-	52,0
	9 : 00 HU	Manufacturing PMI (points)	June	57,2	-	62,1
	9 : 00 HU	Budget balance (% of GDP)	Q1	2	-	-1,8
	11 : 00 EZ	Unemployment rate (%)	May	9,3	9,2	9,3
	14 : 00 RO	Interest rate decision (%)	July	1,75	1,75	1,75
	16 : 00 US	Construction expenditure (mom, %)	May	0	0,2	-1,4
	16 : 00 US	ISM Manufacturing PMI (points)	-	57,8	55,2	54,9
	21 : 30 US	Vehicle sales (annualized monthly, million)	June	16,51	16,6	16,7
5.	9 : 00 HU	Retail sales (first estimate, yoy, %)	May	5,4	-	2,0
	11 : 00 EZ	Retail sales (mom, %)	May	0,4	0,3	0,1
	14 : 00 PL	Interest rate decision (%)	July	1,5	-	1,5
	16 : 00 US	Factory orders (mom, %)	May	-0,8	-0,4	-0,2
	20 : 00 US	FOMC Minutes	June	-	-	-
	23 : 55 US	Fed Monetary Policy Report	July	-	-	-
6.	8 : 00 DE	Industrial orders (mom, %)	May	1	2,0	-2,1
	9 : 00 HU	Industrial production (preliminary, yoy, %)	May	8,8	-	-3,0
	11 : 00 HU	Fiscal balance (monthly, billion HUF)	June	-697,9	-	-91,9
	13 : 30 EZ	ECB Minutes	June	-	-	-
	14 : 15 US	ADP non-farm employment (mom, '000s)	June	158	185	253
	16 : 00 US	ISM non-Manufacturing PMI (points)	June	57,4	56,5	56,9
7.	8 : 00 DE	Industrial production (mom, %)	May	1,2	0,3	0,7
	8 : 30 HU	International reserves (preliminary, EURbn)	June		-	23,7
	9 : 00 HU	Trade balance (preliminary, monthly, EUR mn)	May		825,0	865
	10 : 30 UK	Industrial production (mom, %)	May		0,4	0,2
	14 : 30 US	Unemployment rate (%)	June		4,3	4,3
	14 : 30 US	Average earnings (yoy, %)	June		2,6	2,5
	14 : 30 US	Average earning (mom, %)	June		0,3	0,2
	14 : 30 US	Non-farm payroll (mom, '000s)	June		179	138
	23 : 55 HU	Moody's Credit Rating Decision	July			Baa3 (stable)
	23 : 56 DE	G-20 Summit (July 7-8.)	July		-	-

Source: Reuters, OTP Research

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