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Global Daily Report

Summary

- The US job market data surprised on the upside
- This helped global stocks close higher and the US dollar make small gains on Friday
- The rising supply glut sent oil prices more than 2% lower on Friday; a flash crash hit silver futures

Friday's benign trading sentiment on global stock markets stemmed from the better-than-expected US labour market data in June. Although wage growth was somewhat short of expectations, the non-farm payroll figure grew by 222,000, surpassing the forecast 179,000 increase. This surge has surprised markets because the ADP employment statistics released on Thursday had missed expectations. Even though the unemployment rate rose to 4.4% from 4.3%, this did not discourage investors as this gauge is still near record-low levels.

In Europe, the DAX inched up 0.1%, the FTSE100 edged 0.2% higher, while the CAC40 shed 0.1% on Friday. In US trading, the S&P500 added 0.6%, and the NASDAQ100 advanced 1%. Despite the supportive mood on global markets, Central and Eastern Europe underperformed. The WIG20 closed 0.2% lower, and the BUX dropped 0.3%.

In this morning's mixed trading in Asia, Japan's Nikkei gained 0.8%, while China's SSEC closed 2.7% in the red.

Currency markets saw low volatility until Friday afternoon, when US job market statistics came out. By the end of the day, the USD firmed 0.2% against the EUR, gained 0.7% from the GBP and advanced 0.6% vs. the JPY. The yen's weakening pushed the EUR/ JPY 0.4% higher.

Commodity markets made losses across the board on Friday. The Brent and the WTI slid more than 2%; gold and silver lost 1% and 3% of their shine respectively. Oil prices fell because June data showed that OPEC member states had exported two million barrels more each day than a year earlier, even though the output freeze is still in effect. This suggests that the existing limitations have been insufficient to restore market balance. Despite the declining oil prices, the number of oil rigs continued to increase in the USA. Analysts at Morgan Stanley opine that the supply glut on oil market may remain permanent and they forecasts crude prices to remain below USD 50 on average in 2018. A report by CFTC says that last week oil traders' net-long bets in oil futures and options increased because of the dropping oil prices.

The plunge on silver's market was mostly caused by non-fundamental reasons – it was the prices of September and December futures that fell almost 10% in few minutes' time (in a flash crash), probably because of a failure in computer-driven trading algorithms. After trading was suspended for ten seconds, silver worked off most of the 10% dive by the end of the day.

	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	2425,2	0,6	8,3	VIX	11,2	-10,8	-20	WTI	44,37	-2,3	-17,4
	DOW	21414,3	0,4	8,4	US 2Y	1,41	0,1	21	Brent	46,71	-2,9	-17,8
	Nasdaq100	5656,5	1,0	16,3	US 10Y	2,39	2,4	-4	Gold	1212,8	-1,0	5,3
	DAX	12388,7	0,1	7,9	GER 2Y	-0,60	-2,3	19	Silver	15,58	-2,6	-2,2
	CAC40	5145,2	-0,1	5,8	GER 10Y	0,57	0,8	36	EUR/USD	1,1400	-0,2	8,4
	FTSE 100	7350,9	0,2	2,9	PT10Y	3,12	6,1	-64	EUR/GBP	0,8842	0,4	3,8
	FTSE MIB	21015,1	-0,3	9,3	IT 10Y	2,32	5,3	50	EUR/NOK	9,5373	0,0	5,0
	Stoxx600	380,2	-0,1	5,2	SP 10	1,74	6,9	35	USD/CAD	1,2874	-0,8	-4,1
	- Banks	159,6	-0,4	19,0	iTRAXX	57,4	2,5	-21	AUD/USD	0,7605	0,3	5,4
	Nikkei 225	20081,0	0,8	5,1	JPY 2Y	-0,09	0,3	8	USD/JPY	113,88	0,6	-2,6
SSEC	3130,4	-2,7	0,9	JPY 10Y	0,09	0,2	5	GBP/USD	1,2889	-0,6	4,5	
Regional	RTS	995,2	-1,6	-13,6	RUS10	7,89	0,5	-6	USD/RUB	60,355	0,4	-1
	WIG20	2295,82	-0,2	17,9	POL 10	3,38	-0,9	-7	EUR/PLN	4,2325	-0,1	-3,9
	PX50	992,2	0,5	7,7	CZ10	1,09	6,7	134	EUR/RON	4,5742	-0,3	0,9
Hungary	BUX	35504	-0,3	10,9	3M TB	0,10	-1	-7	EUR/HUF	307,89	0,0	-0,3
	OTP	9505	0,0	13,2	1Y	0,20	0	2	USD/HUF	269,95	0,1	-8,0
	MOL	21185	-0,6	2,7	3Y	0,84	2	-2	CHF/HUF	280,38	-0,3	-2,6
	MTelekom	471	0,0	-5,4	5Y	1,94	1	17	PLN/HUF	72,630	-0,1	3,7
	Richter	6796	-0,7	9,4	10Y	3,24	1	3	GBP/HUF	348,28	-0,4	-4

* 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. 10.	3 : 30 CN	CPI (yoy, %)	June		1,5	1,5
	8 : 00 DE	Export (mom, %)	May		0,3	0,9
	10 : 30 EZ	Sentix Investor confidence (points)	July		-	28,4
11.	9 : 00 HU	Inflation (yoy, %)	June		2,0	2,1
	9 : 00 HU	Core inflation (yoy, %)	June		-	2,10
12.	9 : 00 HU	Industrial production (second estimate, yoy, %)	May		-	8,8*
	11 : 00 EZ	Industrial production (mom, %)	May		0,3	0,5
	16 : 00 US	Janet Yellen testimony (House Financial Services Committee)	June		-	-
	20 : 00 US	Beige Book	July		-	-
13.	4 : 00 CN	Import (yoy, %)	June		13,1	14,8
	4 : 00 CN	Export (yoy, %)	June		8,7	8,7
	8 : 00 DE	CPI (final, yoy, %)	June		1,6	1,6*
	20 : 00 US	Federal budget balance (USDbn)	June		-	-88,4
14.	9 : 00 HU	Construction output (yoy, %)	May		-	22,1
	14 : 30 US	CPI (yoy, %)	June		1,8	1,9
	14 : 30 US	CPI (mom, %)	June		0,1	-0,1
	14 : 30 US	core-CPI (yoy, %)	June		1,7	1,7
	14 : 30 US	core-CPI (mom, %)	June		0,2	0,1
	14 : 30 US	Retail sales (mom, %)	June		0,2	-0,3
	15 : 15 US	Industrial production (mom, %)	June		0,3	0,0
	16 : 00 US	Business inventories (mom, %)	May		0,3	-0,2
	16 : 00 US	Michigan Consumer confidence (preliminary, points)	July		95,8	95,1

* preliminary data

Source: Reuters, OTP Research

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