

Treasury Sales Team

Headquarter Treasury Sales

Alexandru Tibuleac
0372 31 85 85
alexandru.tibuleac@otpbank.ro

Ionut Constandache
0372 31 85 86
ionut.constandache@otpbank.ro

Corina Bejan
0372 31 85 87
corina.bejan@otpbank.ro

Andreea Nica
0755 000 106
andreea.nica@otpbank.ro

Regional Treasury Sales

Szilamer Kozma - Cluj
0755 000 400
szilamer.kozma@otpbank.ro

Tudor Zaman - Bucuresti
0755 000 199
tudor.zaman@otpbank.ro

Alexandru Sabin - Arad
0755 000 255
alexandru.sabin@otpbank.ro



Global Daily Report

Summary

- Europe's stock markets made subtle moves and US indices practically stagnated on Monday.
- The second round of Brexit talks has begun; the GBP slightly weakened.
- Today's meeting of the MNB is expected to leave interest rates unchanged.

The sentiment was not clearly optimistic on Western Europe's stock markets yesterday, when the FTSE climbed 0.4% higher, whereas the DAX and the CAC40 closed in the red, as did the benchmarks in Spain, Italy, and Portugal. China's reassuring GDP reading helped Europe's commodity producers, yet the Stoxx600 practically flat-lined. Consumption-related businesses fared well, but their advance was not enough to offset industrial companies' losses. Bayer shrank 0.8%, Merck slipped 1.3, and Siemens contracted by 1.0%. In Germany, investors disliked car makers, technology, and financial firms yesterday. In contrast, Telenor sky-rocketed 8% after posting smaller-than-expected loss in its Q2 report.

America's markets ran out of impetus by Monday, when the S&P and the Dow barely moved since Friday's close. Within the S&P's sector indices, utilities, consumer discretionary, real estate, and basic material producers were the best performers, while investors dumped health care and financial shares. Netflix jumped 9% higher, after its Q2 earnings report revealed an unexpected jump in subscriber numbers. Netflix's stock price has jumped 31% since the beginning of this year. A new string of earnings figures will be out today, including those of Bank of America, Goldman Sachs, and Johnson & Johnson.

In this morning's modestly optimistic trading in Asia, the Hang Seng and the Shanghai Composite edged a few points lower and higher respectively. Re-opening after a national holiday, Japan's Nikkei closed 0.6% lower.

On petroleum market, concerns about output limitations took the upper hand again, triggering a renewed slip in oil prices on Monday. The better-than-expected GDP figure from China helped copper price climb higher, lifting copper producers' share prices too. Likewise, iron ore futures jumped 5%.

On currency markets, the beginning of a new round of Brexit talks caused a slight wobble in the GBP on Monday. The euro lost some ground against the USD, and the Bloomberg Dollar Spot index rose modestly. The EUR fluctuated in a narrow range, sinking below 306 more than once.

The June gauge of the Empire State Manufacturing Index deteriorated stronger than had been thought.

Today UK inflation figures, as well as ZEW indicators for the eurozone and Germany are due out in Europe. In the USA, the NAHB housing market index may influence markets.

Today's meeting of the MNB's Monetary Council is expected to leave Hungary's interest rates on hold. Most analysts polled by the portfolio.hu business website do not expect rate hikes before 2019.

	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	2459,1	0,0	9,8	VIX	9,8	3,3	-30	WTI	46,02	-1,1	-14,3
	DOW	21629,7	0,0	9,4	US 2Y	1,36	0,4	16	Brent	48,42	-1,0	-14,8
	Nasdaq100	5839,7	0,0	20,1	US 10Y	2,31	-1,0	-12	Gold	1233,9	0,4	7,2
	DAX	12587,2	-0,4	9,6	GER 2Y	-0,62	-1,2	17	Silver	16,07	0,8	0,9
	CAC40	5230,2	-0,1	7,6	GER 10Y	0,58	-1,5	37	EUR/USD	1,1478	0,1	9,2
	FTSE 100	7404,1	0,3	3,7	PT10Y	3,10	-4,5	-66	EUR/GBP	0,8788	0,4	3,2
	FTSE MIB	21484,8	0,0	11,7	IT 10Y	2,23	-5,7	41	EUR/NOK	9,3623	-0,2	3,0
	Stoxx600	386,9	0,0	7,0	SP 10	1,59	-6,4	20	USD/CAD	1,2695	0,4	-5,5
	- Banks	161,9	0,1	20,7	iTRAXX	53,4	-1,3	-26	AUD/USD	0,7798	-0,4	8,1
	Nikkei 225	n.a	-0,6	4,6	JPY 2Y	-0,10	-0,1	7	USD/JPY	112,62	0,1	-3,6
SSEC	3213,4	1,2	3,5	JPY 10Y	0,07	-0,9	2	GBP/USD	1,3054	-0,3	5,8	
Regional	RTS	1039,3	-0,5	-9,8	RUS10	7,76	0,1	-7	USD/RUB	59,325	0,5	-3
	WIG20	2372,17	0,9	21,8	POL 10	3,29	-0,4	-9	EUR/PLN	4,2011	0,0	-4,6
	PX50	1005,4	0,5	9,1	CZ10	0,99	3,0	112	EUR/RON	4,5599	0,0	0,5
Hungary	BUX	36141	0,6	12,9	3M TB	0,10	-1	-7	EUR/HUF	306,52	0,3	-0,7
	OTP	9622	0,7	14,5	1Y	0,13	-2	-6	USD/HUF	267,16	0,2	-9,0
	MOL	21955	1,3	6,4	3Y	0,81	1	-5	CHF/HUF	277,56	0,2	-3,6
	MTelekom	474	-0,6	-4,8	5Y	1,85	-2	8	PLN/HUF	72,970	0,2	4,2
	Richter	6850	-0,3	10,3	10Y	3,08	-2	-12	GBP/HUF	348,76	-0,3	-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. 17.	4 : 00	CN	Infrastructural spending (yoy, %)	June	8,6	8,5	8,6
	4 : 00	CN	Industrial production (yoy, %)	June	7,6	6,5	6,5
	4 : 00	CN	Retail sales (yoy, %)	June	11	10,6	10,7
	4 : 00	CN	GDP (yoy, %)	Q2	6,9	6,8	6,9
	4 : 00	CN	GDP (qoq, SA, %)	Q2	1,7	1,70	1,30
	11 : 00	EZ	CPI (final, yoy, %)	June	1,3	1,3	1,3*
	14 : 30	US	New York Fed Manufacturing index (points)	July	9,8	15,0	19,8
18.	10 : 30	UK	Inflation (yoy, %)	June		2,8	2,9
	10 : 30	UK	Core inflation (yoy, %)	June		2,6	2,6
	11 : 00	DE	ZEW Economic Sentiment (points)	July		17,5	18,6
	14 : 00	HU	Interest rate decision (%)	July		0,9	0,9
19.	14 : 30	US	Housing starts (annualized monthly, '000s)	June		1180,0	1062,0
	14 : 30	US	Building permits (annualized monthly, '000s)	June		1210,0	1168,0
20.	6 : 00	JP	Interest rate decision (%)	July		-0,1	-0,1
	9 : 00	HU	Gross wages (yoy, %)	May		-	14,6
	10 : 30	UK	Retail sales (mom, %)	June		0,2	-1,2
	13 : 45	EZ	Interest rate decision (lending rate, %)	July		0,0	0,0
	13 : 45	EZ	Interest rate decision (deposit rate, %)	July		-0,4	-0,4
	16 : 00	US	Leading index (mom, %)	June		0,3	0,3
	16 : 00	EZ	Consumer confidence index (flash, points)	July		-1,1	-1,3

* preliminary data

Source: Reuters, OTP Research

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

Analyst
Orsolya Rátkai
ratkaio@otpbank.hu
+36 1 374 7270

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