

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

- The Dow closed above 22,000 on Wednesday
- OTP shares hit ten-year high
- The earnings figures Tesla and Unicredit published this morning have beaten expectations
- The weak ADP labour market gauge and Fed officials' statements weakened the US dollar
- Today's important event is the BoE's rate decision, and retail sales data will be out all over Europe

Breaking a new record, the Dow closed above the 22,000 mark, largely benefiting from a nearly 5% surge in Apple's share price following the publication of IT giant's earnings report. Europe's stock indices ended in the red, mostly because of the ailing banking and mining companies. The latter may be partly attributed to the euro's appreciation. Asia's indices also fell in today's trading session. In Hungary, the BUX could achieve gain; one of its blue chips OTP Bank closed at ten-year high.

Tesla's Q2 revenue, published on Wednesday evening, has topped analysts' expectations, and the electric car manufacturer confirmed the second-half-year production plans for its recently launched Model 3. After US market close, its share price jumped 7% higher. Italy's Unicredit also excelled: its Q2 results surpassed analysts' estimations by 50%.

The strong fuel consumption in the USA drove oil prices higher. America's oil inventories have been shrinking for the fifth week in a row. Other commodities' prices barely moved yesterday.

The US dollar weakened on Wednesday, owing to the pale ADP employment data as well as the words of James Bullard, the St. Louis Fed governor, who is against further interest rate hikes. In contrast, Loretta Mester from Cleveland attributed the decline in US inflation to temporary effects; therefore she finds further monetary tightening warranted.

Wednesday's most important macroeconomic release, the ADP's US employment survey, indicated worse-than-expected job growth in July.

Thursday's possibly influential publications include sentiment indicators from America and Europe, as well as June retail sales statistics from a number of European countries. Today's important event is the Bank of England's rate decision. The BoE's Monetary Policy Committee will feature a new member, Silvana Tenreyro, Professor of the London School of Economics, who will replace Kristin Forbes, lecturer at MIT. Forbes is one of the three MPC members who voted for interest rate hike, while Tenreyro's position is yet to be seen – but the outcome of today's policy decision may hint at her views.

	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	2477,6	0,0	10,7	VIX	10,3	1,9	-27	WTI	49,59	0,9	-7,7
	DOW	22016,2	0,2	11,4	US 2Y	1,36	2,0	17	Brent	52,36	1,1	-7,8
	Nasdaq100	5914,2	0,3	21,6	US 10Y	2,26	1,1	-17	Gold	1266,2	-0,2	10,0
	DAX	12181,5	-0,6	6,1	GER 2Y	-0,70	0,2	10	Silver	16,55	-0,9	3,9
	CAC40	5107,3	-0,4	5,0	GER 10Y	0,49	-0,2	28	EUR/USD	1,1854	0,4	12,8
	FTSE 100	7411,4	-0,2	3,8	PT10Y	2,85	2,0	-91	EUR/GBP	0,8962	0,3	5,2
	FTSE MIB	21573,6	-0,2	12,2	IT 10Y	2,01	-1,1	18	EUR/NOK	9,3605	0,0	3,0
	Stoxx600	378,6	-0,4	4,8	SP 10	1,45	1,8	5	USD/CAD	1,2565	0,2	-6,4
	- Banks	165,7	-0,5	23,5	iTRAXX	51,8	-1,2	-28	AUD/USD	0,7962	-0,1	10,4
	Nikkei 225	20029,3	-0,3	4,8	JPY 2Y	-0,11	0,1	6	USD/JPY	110,72	0,3	-5,3
SSEC	3213,4	-2,2	3,5	JPY 10Y	0,07	-0,3	2	GBP/USD	1,3221	0,2	7,2	
Regional	RTS	1021,4	0,7	-11,4	RUS10	7,86	0,0	-6	USD/RUB	60,555	0,3	-1
	WIG20	2366,06	-0,9	21,5	POL 10	3,37	0,3	-7	EUR/PLN	4,2572	0,1	-3,3
	PX50	1010,6	-0,4	9,7	CZ10	0,90	1,9	92	EUR/RON	4,5585	0,1	0,5
Hungary	BUX	36041	0,7	12,6	3M TB	0,10	0	-6	EUR/HUF	302,87	-0,2	-1,9
	OTP	9692	1,2	15,4	1Y	0,14	-3	-4	USD/HUF	255,60	-0,5	-12,9
	MOL	22300	0,2	8,1	3Y	0,92	6	6	CHF/HUF	264,17	-0,6	-8,2
	MTelekom	466	0,0	-6,4	5Y	1,93	-3	16	PLN/HUF	71,150	-0,1	1,6
	Richter	6600	0,9	6,3	10Y	3,16	0	-5	GBP/HUF	337,85	-0,4	-6

* 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. 31	1 : 50	JP Industrial production (preliminary, mom, %)	June	1,6	1,7	-3,6
	3 : 00	CN NBS Manufacturing PMI (points)	July	51,4	51,6	51,7
	3 : 00	CN NBS non-Manufacturing PMI (points)	July	54,5		54,9
	8 : 00	DE Retail sales (mom, %)	June	1,1	0,2	0,5
	9 : 00	HU Industrial producer prices (yoy, %)	June	1,5	-	2,7
	11 : 00	EZ CPI (flash, yoy, %)	July	1,3	1,3	1,3
	11 : 00	EZ Core CPI (flash, yoy, %)	July	1,3	1,1	1,2
	11 : 00	EZ Unemployment rate (%)	June	9,1	9,2	9,3
	15 : 45	US Chicago PMI (points)	July	58,9	61,3	65,7
	16 : 00	US Pending home sales (mom, %)	June	1,5	1,0	-0,8
8. 1.	2 : 30	JP Nikkei Manufacturing PMI (points)	July	52,1	-	52,4
	9 : 00	HU Trade balance (detailed, monthly, EUR mn)	May	959,0	-	913,0*
	9 : 00	HU Manufacturing PMI (points)	July	54,2	-	57,2
	11 : 00	EZ GDP (preliminary, qoq, %)	Q2	0,6	0,6	0,6
	11 : 00	EZ GDP (preliminary, yoy, %)	Q2	2,1	2,1	1,9
	14 : 30	US Personal income (mom, %)	June	0	0,4	0,3
	14 : 30	US Personal consumption (adjusted, mom, %)	June	0,1	0,1	0,2
	16 : 00	US Construction expenditure (mom, %)	June	-1,3	0,3	0,3
	16 : 00	US ISM Manufacturing PMI (points)	July	56,3	56,5	57,8
	21 : 30	US Vehicle sales (annualized monthly, million)	July	16,7	16,8	16,5
2.	14 : 15	US ADP non-farm employment (mom, '000s)	July	178	190	158
3.	9 : 00	HU Retail sales (first estimate, yoy, %)	June		-	6,0
	11 : 00	EZ Retail sales (mom, %)	June		0,2	0,4
	13 : 00	UK Interest rate decision (%)	Aug.		0,25	0,25
	16 : 00	US Factory orders (mom, %)	June		2,7	-0,8
	16 : 00	US ISM non-Manufacturing PMI (points)	July		57,0	57,4
4.	8 : 00	DE Industrial orders (mom, %)	June		0,5	1,0
	9 : 00	HU Industrial production (preliminary, yoy, %)	June		-	8,8
	10 : 00	HU Real MNB house price index	Q1		-	105,9
	14 : 00	RO Interest rate decision (%)	Aug.		1,8	1,8
	14 : 30	US Unemployment rate (%)	July		4,3	4,4
	14 : 30	US Average earnings (yoy, %)	July		2,4	2,5
	14 : 30	US Average earning (mom, %)	July		0,3	0,2
	14 : 30	US Non-farm payroll (mom, '000s)	July		187	222

*preliminary data

Source: Reuters, OTP Research

Chief Economist

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

Analyst

Gábor Pellényi
pellenyig@otpbank.hu
+36 1 374 7276

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