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# Global Daily Report

### Summary

- Europe's stock markets climbed higher but in America only the Dow could extend its gains
- The Bank of England left its policy rate in place; the GBP weakened
- The Czech National Bank raised its benchmark rate to 0.25%
- Cheering macroeconomic data were released on Thursday and this morning. Today America is to publish job market data, and Donald Trump is to make a speech about trade relations with China

Europe's stock markets benefited from favourable retail sales data, while US indices were mostly driven by corporate earnings reports. Most of Europe's stock exchanges made gains; the DAX was the only major indices to sink. In the USA, only the Dow could climb higher, after breaking record on the previous day. The S&P and the NASDAQ fell; the losses of Amazon and Apple dragged down the technology sector.

A slip in oil prices sent the Brent below 52 USD/barrel. Precious metals edged down; other commodities did not change meaningfully.

The Bank of England left its monetary policy unchanged. Decision-makers voted 6:2 to keep the base rate on hold. The new MPC member, Silvana Tenreyro voted to hold, thus the dovish camp seems to be firming as Kristin Forbes has left. The BoE's latest inflation report has divided the market. On the one hand, decision-makers cannot rule out two rate hikes over the next three years (this one more than had been indicated before), and Mark Carney also pointed out that the tightening might come sooner than the market currently expects. On the other hand, the BoE lowered its GDP growth forecast. In response, the GBP fell to a nine-month low against the EUR. UK government bond yields also sank.

The Czech National Bank raised its benchmark rate by 20 basis points, to 0.25%. This triggered a 0.2% firming in the Czech koruna versus the euro.

The US dollar's depreciation against the major currencies continued. The yields of advanced economies' government securities inched lower.

The macroeconomic data released on Thursday were basically positive. The retail sales statistics published in the eurozone exceeded the consensus forecast by a large margin. Germany's industrial orders figure, released this morning, also topped expectations. The US factory orders and Markit's services sector purchasing managers' index hit a multi-month high. On the other hand, the ISM non-manufacturing PMI missed expectations.

Today's important releases include US monthly employment and wages data. Besides, President Donald Trump will make a speech about trade relations with China. In recent weeks, the US President criticized China's idleness about North Korea's ballistic missile programme. Donald Trump may strike a harsh tone as even three Democrat senators urged standing up against China, in fields like intellectual property rights. In the CEE region, The National Bank of Romania holds rate decision today.

	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	2472,2	-0,2	10,4	VIX	10,4	1,6	-26	WTI	49,03	-1,1	-8,7
	DOW	22026,1	0,0	11,5	US 2Y	1,34	-2,0	15	Brent	52,01	-0,7	-8,5
	Nasdaq100	5891,2	-0,4	21,1	US 10Y	2,23	-3,4	-20	Gold	1268,2	0,2	10,1
	DAX	12154,7	-0,2	5,9	GER 2Y	-0,68	1,5	11	Silver	16,61	0,4	4,3
	CAC40	5130,5	0,5	5,5	GER 10Y	0,46	-2,9	25	EUR/USD	1,1868	0,1	12,9
	FTSE 100	7474,8	0,9	4,6	PT10Y	2,84	-1,2	-92	EUR/GBP	0,9032	0,8	6,0
	FTSE MIB	21793,7	1,0	13,3	IT 10Y	1,98	-2,7	16	EUR/NOK	9,3834	0,2	3,3
	Stoxx600	378,9	0,1	4,8	SP 10	1,45	-0,1	5	USD/CAD	1,2584	0,2	-6,3
	- Banks	166,5	0,5	24,1	iTRAXX	51,5	-0,5	-29	AUD/USD	0,7948	-0,2	10,2
	Nikkei 225	19949,1	-0,4	4,4	JPY 2Y	-0,11	0,6	7	USD/JPY	110,02	-0,6	-5,9
SSEC	3213,4	-1,8	3,5	JPY 10Y	0,07	-0,6	2	GBP/USD	1,3137	-0,6	6,5	
Regional	RTS	1029,4	0,8	-10,7	RUS10	7,80	-0,8	-7	USD/RUB	60,319	-0,4	-2
	WIG20	2365,48	0,0	21,4	POL 10	3,35	-0,6	-8	EUR/PLN	4,2400	-0,4	-3,7
	PX50	1017,6	0,7	10,4	CZ10	0,90	0,1	92	EUR/RON	4,5578	0,0	0,5
Hungary	BUX	36416	1,0	13,8	3M TB	0,10	0	-6	EUR/HUF	303,63	0,3	-1,7
	OTP	9800	1,1	16,7	1Y	0,14	0	-4	USD/HUF	255,76	0,1	-12,9
	MOL	22660	1,6	9,8	3Y	0,92	0	6	CHF/HUF	264,01	-0,1	-8,3
	MTelekom	467	0,2	-6,2	5Y	1,92	-1	15	PLN/HUF	71,580	0,6	2,2
	Richter	6640	0,6	6,9	10Y	3,16	1	-4	GBP/HUF	336,00	-0,5	-7

\* 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	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	-	6,0
	11 : 00	EZ Retail sales (mom, %)	June	0,5	0,1	0,4
	13 : 00	UK Interest rate decision (%)	Aug.	0,25	0,25	0,25
	16 : 00	US Factory orders (mom, %)	June	3,0	2,9	-0,3
	16 : 00	US ISM non-Manufacturing PMI (points)	July	53,9	57,0	57,4
4.	8 : 00	DE Industrial orders (mom, %)	June	1,0	0,5	1,1
	9 : 00	HU Industrial production (preliminary, yoy, %)	June	4,0	7,0	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

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