

# Global Daily Report



## Treasury Sales Team

+40372 31 85 88

sales.treasury@otpbank.ro

[www.otpresearch.com](http://www.otpresearch.com)

### Summary

- Uncertainty ruled Europe's stock markets, US markets were closed on 4 July.
- The USA-China trade talks continue next week.
- Germany released dismal industry data.

**Uncertainty ruled Europe's stock markets** on Thursday. The DAX and the Stoxx600 inched up 0.1% each, the CAC40 nudged higher, and the FTSE100 dipped 0.1%. One reason for the indecision was trade war fears, as Gao Feng, spokesman for China's Ministry of Commerce said that any new trade agreement hinged on withdrawing the existing US tariffs. What may have helped indices crawl higher was Christine Lagarde's nomination for the President of the European Central Bank; this development added to expectations that the current loose monetary policy will remain in place. Meanwhile US President Donald Trump criticized Europe and China, for 'playing big currency manipulation game'. In the corporate world, one of the losers of the day was International Consolidated Airlines, the owner of British Airways – its share price nose-dived 8% after dividend payment. US markets were closed on Independence Day.

The USA-China trade talks will resume soon. The representatives of the USA and China are to meet next week to resolve trade issues. The negotiations discontinued in May, when the USA accused its counterparty of stepping back from previous agreements. It was last week when Donald Trump and Xi Jinping agreed to continue talks.

The political tension between Iran and the West seems to be intensifying, as British Marines seized an Iranian oil tanker in Gibraltar. The vessel was heading for Syria, breaching the European Union's oil embargo announced in 2011. This is the first case when an oil tanker was actually halted.

The eurozone's retail sales data disappointed as the May reading signifies 0.3% contraction, whereas analysts had forecast 0.3% *growth*. The indicator sank in the second month in a row – this suggests that the expenditure-side GDP data may be weaker in Q2, which adds to investors' expectations that the ECB's monetary policy will remain loose. This morning Germany released disappointing data: industrial orders' volume contracted by 2.2% month/month in May, missing the 0.1% forecast.

The USA will publish labour market data 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	2995,8	0,0	19,5	VIX	12,6	0,0	-51	WTI	57,3	0,0	26,3
	DOW	26966,0	0,0	15,6	US 2Y	1,77	0,0	-73	Brent	63,30	-0,8	17,7
	Nasdaq100	7857,7	0,0	24,1	US 10Y	1,96	0,0	-74	Gold	1415,2	-0,2	10,3
	DAX	12629,9	0,1	19,6	GER 2Y	-0,75	0,3	-16	Silver	15,28	-0,1	-1,3
	CAC40	5620,7	0,0	18,8	GER 10Y	-0,40	-1,4	-64	EUR/USD	1,1284	0,1	-1,6
	FTSE 100	7603,6	-0,1	13,0	PT10Y	0,35	4,9	-137	EUR/GBP	0,8969	0,0	-0,2
	FTSE MIB	22120,7	1,0	20,7	IT 10Y	1,67	5,7	-110	EUR/NOK	9,6278	0,0	-2,8
	Stoxx600	392,9	0,1	16,4	SP 10	0,25	3,1	-117	USD/CAD	1,3050	0,0	-4,3
	- Banks	116,3	1,0	2,9	iTRAXX	48,7	-0,7	-45	AUD/USD	0,7019	-0,1	-0,4
	Nikkei 225	21720,9	0,1	8,5	JPY 2Y	-0,21	0,1	-8	USD/JPY	107,79	0,0	-1,6
SSEC	3008,2	0,1	20,6	JPY 10Y	-0,16	-1,0	-17	GBP/USD	1,2576	0,0	-1,4	
Regional	RTS	1411,5	0,7	32,4	RUS10	7,4	-0,5	-16	USD/RUB	63,413	0,2	-9,0
	WIG20	2356,49	0,5	3,5	POL 10	2,3	-1,3	-20	EUR/PLN	4,24	0,1	-1,1
	PX50	1052,1	0,3	6,6	CZ10	1,5	-0,3	-23	EUR/RON	4,713	0,0	1,3
Hungary	BUX	40973	0,0	4,7	3M DKJ	0,16	0,0	9	EUR/HUF	322,65	0,2	0,5
	OTP	12000	0,1	6,3	1Y	0,27	-1,0	-18	USD/HUF	285,96	0,1	2,2
	MOL	3064	-0,2	-0,5	3Y	0,86	1,0	-40	CHF/HUF	290,01	0,1	1,6
	MTelekom	424	-0,4	-3,8	5Y	1,44	-1,0	-109	PLN/HUF	76,08	0,1	2,0
	Richter	5295	-0,1	-2,5	10Y	2,35	-8,0	-69	GBP/HUF	359,78	0,2	1,0

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

Sources: Reuters, OTP Research

Data		Cd.	Event/Data	Period	Fact	Cons.	Prev.		
2019	7.	1.	2 : 30	JP	Nikkei Manufacturing PMI (points)	Jun	49,3	-	49,5
			9 : 00	HU	Manufacturing PMI (points)	Jun	54,4	-	57,9
		9 : 00	-	OPEC Meeting	-	-	-	-	
		11 : 00	EZ	Unemployment rate (%)	May	7,5	7,6	7,6	
		16 : 00	US	Construction expenditure (mom, %)	May	-0,8	0,2	0,4	
		16 : 00	US	Jerome Powell speech	Jun	51,7	51,5	52,1	
		2.	9 : 00	HU	Trade balance (detailed, monthly, EUR mn)	Apr	245	-	228*
	9 : 00	HU	Government sector balance (in % of GDP)	Q1	0,1	-	2,2		
	3.	9 : 00	TR	Inflation (yoy, %)	Jun	15,7	15,7	18,7	
	14 : 00	PL	Interest rate decision (%)	Jul	1,5	1,5	1,5		
	14 : 15	US	ADP non-farm employment (mom, '000s)	Jun	102	140	41		
	14 : 30	US	Continuing jobless claims ('000s)	weekly	1686	1675	1694		
	14 : 30	US	Initial jobless claims ('000s)	weekly	221,0	223	227		
	16 : 00	US	Factory orders (mom, %)	May	-0,7	-0,5	-1,2		
	16 : 00	US	ISM non-Manufacturing PMI (points)	Jun	55,1	55,9	56,9		
	4.	9 : 00	HU	Retail sales (first estimate, yoy, %)	May	2,6	-	8,5	
	11 : 00	EZ	Retail sales (mom, %)	May	-0,3	0,3	-0,4		
14 : 00	RO	Interest rate decision (%)	Jul	2,5	2,5	2,5			
5.	8 : 00	DE	Industrial orders (mom, %)	May	-2	-0,1	0,3		
9 : 00	HU	Industrial production (preliminary, yoy, %)	May		-	6,3			
10 : 00	HU	International reserves (preliminary, EURbn)	Jun		-	26,7			
14 : 30	US	Average earnings (yoy, %)	Jun		3,2	3,1			
		US	Average earnings (mom, %)	Jun		0,3	0,2		
14 : 30	US	Unemployment rate (%)	Jun		3,6	3,6			
14 : 30	US	Non-farm payroll (mom, '000s)	Jun		160	75			

\*preliminary data

Sources: Reuters, OTP Research

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

**Analyst**  
Balázs Lukács  
balazs.lukacs@otpbank.hu  
+36 1 354 7490

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