

Global Daily Report



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Summary

- In Thursday's benign sentiment on US equity markets, the Dow and the S&P500 hit new records
- Europe's key stock indices closed in the red.
- Oil prices have subsided.
- The USA has published June inflation statistics.

In Thursday's positive sentiment in America, the Dow advanced 0.8%, the S&P500 upped 0.2%, both hitting new highs by exceeding the 27,000 and the 3,000 marks respectively. They may have benefited from chairman Jerome Powell's testimony, which suggested that the Fed may raise interest rates as early as at its July meeting. Yet the Nasdaq100 dipped 0.1%, dragged down by biotech and pharmaceutical companies, after Donald Trump withdrew a rule that would have obliged health care businesses to pass on the rebates from pharmaceutical companies to patients. Health care companies' shares prices have increased. One of the losers of the day, Twitter saw 70,000 users complaining that they could not access their accounts; the outage sent its share price 0.7% lower.

Amid the pessimism in Europe, Germany's DAX, France's CAC40, and Britain's FTSE100 all declined 0.3% yesterday, while the Stoxx600 edged 0.1% lower. One reason for the losses was the escalation of the USA-China trade war opposition. Despite the general negative sentiment, the energy sector's shares fared well, as oil prices hit six-week high in Wednesday's trading.

In Thursday's hearing at US Senate Banking Committee, the Fed's chair Jerome Powell was, among other things, asked about Facebook's planned cryptocurrency payment network, dubbed Libra. Mr Powell highlighted four areas that raise concerns: privacy, money laundering, consumer protection, and financial stability. In his opinion, these questions need to be thoroughly assessed before proceeding. Presumably, one of the topics of next week's G7 summit will be the possible introduction of Libra. Facebook's share price fell 0.7% in Thursday's trading.

The pound's slight appreciation led the EUR/GBP 0.1% lower.

Government bond yields rose across the board: the US 2Y and 10Y government bond yields grew by 2.6-5.9 basis points, and those of German Bunds were up 0.5-4.1 basis points.

Reversing Wednesday's rally, oil prices slipped on Thursday: Brent dipped 0.7% and WTI sank 0.4%.

The USA published inflation statistics for June. Consumer prices rose by 1.6% year/year, in line with economists' expectations. The month-over-month core index was 0.3%, surpassing analysts' forecast by 0.1 percentage point, and it was at 2.1% in year/year terms. Inflation was largely driven by higher prices in household furnishings and operations, used vehicles, and apparel. Another release revealed yesterday that initial jobless claims dropped to a lower-than-expected 209,000.

Today's highlights include the eurozone's industrial production statistics for May.

	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	2999,9	0,2	19,7	VIX	12,9	-0,8	-49	WTI	60,2	-0,4	32,6
	DOW	27088,1	0,8	16,1	US 2Y	1,85	2,6	-65	Brent	66,52	-0,7	23,6
	Nasdaq100	7896,8	-0,1	24,8	US 10Y	2,12	5,9	-57	Gold	1403,6	-1,1	9,4
	DAX	12332,1	-0,3	16,8	GER 2Y	-0,72	0,5	-13	Silver	15,12	-0,8	-2,4
	CAC40	5552,0	-0,3	17,4	GER 10Y	-0,26	4,1	-51	EUR/USD	1,1252	0,0	-1,9
	FTSE 100	7509,8	-0,3	11,6	PT10Y	0,57	5,9	-115	EUR/GBP	0,8988	-0,1	0,0
	FTSE MIB	22169,4	0,6	21,0	IT 10Y	1,72	-1,0	-106	EUR/NOK	9,6115	-0,4	-3,0
	Stoxx600	386,7	-0,1	14,5	SP 10	0,48	3,7	-94	USD/CAD	1,3072	-0,1	-4,1
	- Banks	115,0	0,3	1,7	iTRAXX	49,4	0,6	-44	AUD/USD	0,6973	0,2	-1,1
	Nikkei 225	21677,5	0,2	8,3	JPY 2Y	-0,18	1,1	-4	USD/JPY	108,48	0,0	-1,0
	SSEC	2934,1	0,6	17,6	JPY 10Y	-0,12	2,4	-12	GBP/USD	1,2519	0,2	-1,9
Regional	RTS	1398,9	-0,6	30,9	RUS10	7,3	0,0	-16	USD/RUB	62,783	-0,5	-9,9
	WIG20	2316,95	0,2	1,8	POL 10	2,3	2,0	-20	EUR/PLN	4,27	0,1	-0,5
	PX50	1047,1	0,0	6,1	CZ10	1,5	-0,1	-25	EUR/RON	4,730	0,0	1,7
Hungary	BUX	40739	0,4	4,1	3M DKJ	0,15	0,0	8	EUR/HUF	325,81	0,1	1,5
	OTP	12400	1,1	9,8	1Y	0,27	0,0	-18	USD/HUF	289,40	0,1	3,5
	MOL	2960	-0,1	-3,8	3Y	0,95	0,0	-31	CHF/HUF	292,83	0,1	2,6
	MTelekom	436	2,6	-0,9	5Y	1,54	-1,0	-99	PLN/HUF	76,35	0,1	2,4
	Richter	5105	-0,1	-6,0	10Y	2,46	1,0	-58	GBP/HUF	363,41	0,4	2,0

* 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. 8.	8 : 00	DE	Export (mom, %)	May	1,1	1,3	-4
		8 : 00	DE	Industrial production (mom, %)	May	0,3	-2,0	-1,9
		11 : 00	HU	Fiscal balance (monthly, billion HUF)	Jun	-213,6	-	-137
	9.	9 : 00	HU	Inflation (yoy, %)	Jun	3,4	3,6	3,9
		9 : 00	HU	Core inflation (yoy, SA, %)	Jun	3,8	4,0	4
		9 : 00	HU	Trade balance (preliminary, monthly, EUR mn)	May	678,0	333,0	245,0
		14 : 45	US	Jerome Powell speech	-	-	-	-
	10.	10 : 30	UK	Industrial production (mom, %)	May	1,4	1,5	-2,7
		16 : 00	CA	Interest rate decision (%)	Jul	1,75	1,75	1,75
		16 : 00	US	J. Powell's testimony at the House of Representatives	-	-	-	-
		20 : 00	US	FOMC Minutes	Jun	-	-	-
	11.	13 : 30	EZ	ECB Minutes	Jun	-	-	-
		14 : 30	US	Continuing jobless claims ('000s)	weekly	1723,0	1685	1686
		14 : 30	US	Initial jobless claims ('000s)	weekly	209,0	223	221
		14 : 30	US	CPI (yoy, %)	Jun	1,6	1,6	2
		14 : 30	US	CPI (mom, SA, %)	Jun	0,1	0,0	0,1
		14 : 30	US	core-CPI (yoy, %)	Jun	2,1	2,0	2
		14 : 30	US	core-CPI (mom, SA, %)	Jun	0,3	0,2	0,1
		16 : 00	US	J. Powell's testimony at the Senate's Banking Committee	-	-	-	-
		20 : 00	US	Federal budget balance (USDbn)	Jun	-8,0	-6,4	-208,0
	12.	9 : 00	HU	Industrial production (second estimate, yoy, %)	May	-	-	8,7*
		11 : 00	EZ	Industrial production (mom, %)	May	-	0,2	-0,5

*preliminary data

Sources: Reuters, OTP Research

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This document was prepared on 12 July 2019.

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