

Summary

- Pessimism ruled Wednesday's trading on both sides of the Atlantic.
- The Fed published its latest Beige Book.
- Oil prices dropped.
- The USA released dismal housing data.

In Wednesday's gloomy trading in America, the Dow shed 0.4%, the Nasdaq100 fell 0.5%, and the S&P500 closed 0.7% lower. Reasons for the pessimism included the mixed bag of corporate earnings figures, the disappointing macroeconomic data, along with the concerns about the stumbling USA-China trade talks. In the corporate world, CSX stocks nose-dived more than 10% wing to the lower-than-expected profit in the railway cargo company's quarterly report. In spite of lowering its profit guidance, Bank of America's share price grew by 0.7% as its profit had beaten economists' forecasts. Netflix slid 11% in after-hours trading, as its subscriber base grew by only 2.8 million, slower than projected (5 million).

Europe's key indices closed in the red too. The FTSE100 shed 0.6%, the DAX dropped 0.7%, and the CAC40 slipped 0.8%. One of the losers of the day, the financial sector index dived 0.8%, headed by Swedish banks. A disappointing earnings report sent Handelsbanken's share price 6.3% lower, and Swedbank plunged 6.6% after tightening rules on payment to shareholders. Despite the general negative sentiment, the tech sector could pick up 0.6%.

In the Fed's updated Beige Book, the companies polled reported positive economic outlook and moderate growth expectations, despite the concerns about trade-related uncertainty. Despite a halt in the advance of vehicle sales, consumer spending remained high, the report found. It was manufacturing companies who painted the most pessimistic picture: trade war tensions and the growing protectionism clearly worry this sector. The relationship between Turkey and the USA is deteriorating following the USA's announcement to discontinue cooperation with Ankara in the F35 fighter jet programme, in response to Turkey's move to buy air defence missile system from Russia.

Oil prices slipped as the White House appointed Senator Rand Paul, a moderate politician in foreign affairs, as Iran envoy, to try and resolve the tension between the USA and Iran. WTI came down 1.4% and Brent tanked 1.1%.

The USD's weakening led the EUR/USD 0.1% higher.

The US housing statistics disappointed. In June, 1,220,000 building permits were issued, as opposed to the expected 1,300,000. Housing starts, at 1,253,000 were also short of analysts' forecast of 1,261,000.

Today the UK is to release retail sales statistics for June, the leading index is due out in the USA, and America will publish the latest jobless claims figures.

	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	2984,4	-0,7	19,1	VIX	14,0	8,6	-45	WTI	56,8	-1,4	25,0
	DOW	27219,9	-0,4	16,7	US 2Y	1,84	-2,6	-66	Brent	63,66	-1,1	18,3
	Nasdaq100	7888,8	-0,5	24,6	US 10Y	2,06	-5,9	-63	Gold	1426,6	1,5	11,2
	DAX	12341,0	-0,7	16,9	GER 2Y	-0,75	-1,2	-16	Silver	15,97	2,7	3,2
	CAC40	5571,7	-0,8	17,8	GER 10Y	-0,29	0,2	-54	EUR/USD	1,1223	0,1	-2,1
	FTSE 100	7535,5	-0,6	12,0	PT10Y	0,51	-4,7	-122	EUR/GBP	0,9025	-0,1	0,5
	FTSE MIB	22079,4	-0,6	20,5	IT 10Y	1,60	-0,8	-117	EUR/NOK	9,6395	0,3	-2,7
	Stoxx600	387,7	-0,4	14,8	SP 10	0,46	-3,2	-96	USD/CAD	1,3047	-0,3	-4,3
	- Banks	114,0	-1,5	0,9	iTRAXX	50,2	0,9	-43	AUD/USD	0,7009	0,0	-0,6
	Nikkei 225	21003,3	-2,2	4,9	JPY 2Y	-0,20	-0,7	-6	USD/JPY	107,94	-0,3	-1,5
SSEC	2909,9	-0,7	16,7	JPY 10Y	-0,14	-1,1	-14	GBP/USD	1,2431	0,2	-2,6	
Regional	RTS	1361,6	-1,5	27,4	RUS10	7,4	0,0	-16	USD/RUB	62,836	-0,3	-9,8
	WIG20	2306,67	-0,6	1,3	POL 10	2,3	-0,7	-20	EUR/PLN	4,26	0,2	-0,6
	PX50	1062,4	0,4	7,7	CZ10	1,5	0,0	-24	EUR/RON	4,730	0,1	1,7
Hungary	BUX	40991	0,3	4,7	3M DKJ	0,15	1,0	8	EUR/HUF	326,48	0,2	1,7
	OTP	12600	1,5	11,6	1Y	0,25	0,0	-20	USD/HUF	290,74	0,1	3,9
	MOL	3008	-0,4	-2,3	3Y	0,99	0,0	-27	CHF/HUF	294,31	0,1	3,1
	MTelekom	435	-0,7	-1,1	5Y	1,54	1,0	-99	PLN/HUF	76,55	0,1	2,6
	Richter	4984	-0,3	-8,2	10Y	2,49	0,0	-55	GBP/HUF	361,35	0,2	1,4

* 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.	4 : 00	CN	Industrial production (YoY, %)	Jun	6,3	5,2	5,0
		4 : 00	CN	Retail sales (YoY, %)	Jun	9,8	8,3	8,6
		4 : 00	CN	GDP (YoY, %)	Q2	6,2	6,2	6,4
		4 : 00	CN	GDP (QoQ, %, SA)	Q2	1,6	1,5	1,4
	15.	4 : 00	CN	Infrastructural spending (YoY, %)	Jun	5,8	5,5	5,6
		14 : 30	US	New York Fed Manufacturing index (points)	Jul	4,3	0,5	-8,6
	16.	9 : 00	HU	Construction output (YoY, %)	May	26,3	-	40,1
		11 : 00	DE	ZEW Economic Sentiment (points)	Jul	-24,5	-22,3	-21,1
		14 : 30	US	Retail sales (MoM, %)	Jun	0,4	0,1	0,5
		15 : 15	US	Industrial production (MoM, %)	Jun	0,0	0,1	0,4
16 : 00		US	Business inventories (MoM, %)	May	0,3	0,3	0,5	
17.	10 : 30	UK	Core inflation (YoY, %)	Jun	1,8	1,8	1,7	
	10 : 30	UK	Inflation (YoY, %)	Jun	2,0	2,0	2,0	
	14 : 30	US	Building permits (annualized monthly, '000s)	Jun	1220,0	1300	1299	
	14 : 30	US	Housing starts (annualized monthly, '000s)	Jun	1253,0	1261	1269	
	20 : 00	US	Beige Book	Jul		-	-	
18.	10 : 30	UK	Retail sales (MoM, %)	Jun		-0,3	-0,5	
	14 : 30	US	Initial jobless claims ('000s)	weekly		216	209	
	14 : 30	US	Continuing jobless claims ('000s)	weekly		1700	1723	
	16 : 00	US	Leading index (MoM, %)	Jun		0,1	0,0	
19.	1 : 30	JP	core-CPI (YoY, %)	Jun		0,6	0,8	
	1 : 30	JP	CPI (YoY, %)	Jun			0,7	
	16 : 00	US	Michigan Consumer confidence (preliminary, points)	Jul		98,5	98,2	

Sources: Reuters, OTP Research

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