

Global Daily Report



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Summary

- The developed world's stock markets closed with gains on Monday.
- Britain's Tory party is to announce this morning who will succeed Theresa May as PM
- Iran's relationship with the UK and the USA became even tenser.

Western Europe's key indices edged higher on the first day of the business week. Investors' focus shifted from stock exchanges towards Britain's Tory party, which was to decide, in the last act of the leadership contest, who would succeed the outgoing Prime Minister Theresa May. The results will be announced this morning. The yield on Britain's 10Y note dropped three basis points, the GBP weakened against the USD and the EUR. Investors predicted the triumph of Boris Johnson, who stands firm that Brexit should take place by the end of October, with or without a deal.

On the other side of the Atlantic, the sentiment was basically optimistic. In Wall Street, the NASDAQ100 was the most successful index on Monday, in sync with the excellent performance of the technology sector.

Crude oil prices headed higher as Iranian Revolutionary Guard seized a British tanker and captured its 23-strong crew last Friday. Iran stepped up tension not only with the UK, but also with the USA, as the Middle Eastern country said yesterday it had arrested 17 CIA spies, some whom would be executed. The increased anxiety sent both Brent and WTI prices 1.0% higher.

On Monday Donald Trump came to an understanding with Senate and the House of Representatives to suspend the debt ceiling. The agreement enables the US Treasury to issue new US debt until 31 July 2021 – this may help the USA to avoid defaulting on its debt, but it will further increase America's sizeable government debt.

The eurozone will release the July reading of the consumer confidence index today. Today's meeting of Hungary's MNB Monetary Council is expected to leave monetary policy framework unchanged, after June's symbolic tightening. In the corporate world, the Q2 figures of Coca-Cola will be out before US markets open.

| | 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 | 2985,0 | 0,3 | 19,1 | VIX | 13,5 | -6,4 | -47 | WTI | 56,1 | 0,8 | 23,6 |
| | DOW | 27171,9 | 0,1 | 16,5 | US 2Y | 1,81 | -0,2 | -68 | Brent | 63,26 | 1,3 | 17,6 |
| | Nasdaq100 | 7905,1 | 0,9 | 24,9 | US 10Y | 2,04 | -0,7 | -65 | Gold | 1424,7 | 0,0 | 11,1 |
| | DAX | 12289,4 | 0,2 | 16,4 | GER 2Y | -0,78 | -0,4 | -19 | Silver | 16,34 | 0,8 | 5,6 |
| | CAC40 | 5567,0 | 0,3 | 17,7 | GER 10Y | -0,35 | -2,5 | -59 | EUR/USD | 1,1208 | -0,1 | -2,3 |
| | FTSE 100 | 7514,9 | 0,1 | 11,7 | PT10Y | 0,47 | -1,0 | -126 | EUR/GBP | 0,8985 | 0,2 | 0,0 |
| | FTSE MIB | 21735,7 | 0,4 | 18,6 | IT 10Y | 1,67 | 6,3 | -111 | EUR/NOK | 9,6493 | 0,3 | -2,6 |
| | Stoxx600 | 387,7 | 0,1 | 14,8 | SP 10 | 0,41 | 0,9 | -102 | USD/CAD | 1,3118 | 0,4 | -3,8 |
| | - Banks | 112,4 | -0,3 | -0,6 | iTRAXX | 48,0 | -2,4 | -45 | AUD/USD | 0,7034 | -0,1 | -0,2 |
| | Nikkei 225 | 21620,9 | 1,1 | 8,0 | JPY 2Y | -0,20 | -0,5 | -7 | USD/JPY | 107,86 | 0,1 | -1,6 |
| SSEC | 2892,1 | 0,2 | 16,0 | JPY 10Y | -0,14 | -0,7 | -15 | GBP/USD | 1,2474 | -0,2 | -2,2 | |
| Regional | RTS | 1341,2 | -0,7 | 25,5 | RUS10 | 7,3 | -0,7 | -16 | USD/RUB | 63,085 | 0,1 | -9,5 |
| | WIG20 | 2342,51 | -0,1 | 2,9 | POL 10 | 2,2 | -1,2 | -24 | EUR/PLN | 4,25 | -0,1 | -1,0 |
| | PX50 | 1069,6 | 0,2 | 8,4 | CZ10 | 1,4 | -2,7 | -27 | EUR/RON | 4,720 | 0,0 | 1,5 |
| Hungary | BUX | 41338 | -0,9 | 5,6 | 3M DKJ | 0,15 | 0,0 | 8 | EUR/HUF | 325,30 | 0,1 | 1,4 |
| | OTP | 12620 | -1,6 | 11,8 | 1Y | 0,25 | 0,0 | -20 | USD/HUF | 290,06 | 0,2 | 3,7 |
| | MOL | 3102 | 0,5 | 0,8 | 3Y | 0,95 | 0,0 | -31 | CHF/HUF | 295,37 | 0,1 | 3,5 |
| | MTelekom | 436 | -0,5 | -1,0 | 5Y | 1,45 | -1,0 | -108 | PLN/HUF | 76,53 | 0,0 | 2,6 |
| | Richter | 5010 | -1,3 | -7,7 | 10Y | 2,38 | -2,0 | -66 | GBP/HUF | 361,79 | -0,2 | 1,6 |

* 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. 23. | 14 : 00 | HU | Interest rate decision (%) | Jul | 0,9 | 0,9 |
| | | 16 : 00 | EZ | Consumer confidence (point) | Jul | -7,2 | -7,2 |
| | | 16 : 00 | US | Existing home sales (MoM, %) | Jun | 5330 | 5340 |
| | 24. | 9 : 15 | FR | Markit Manufacturing PMI (points) | Jul | 51,6 | 51,9 |
| | | 9 : 15 | FR | Markit Service PMI (points) | Jul | 52,6 | 52,9 |
| | | 9 : 30 | DE | Markit Manufacturing PMI (points) | Jul | 45,2 | 45,0 |
| | | 9 : 30 | DE | Markit Service PMI (points) | Jul | 55,3 | 55,8 |
| | | 10 : 00 | EZ | Markit Manufacturing PMI (points) | Jul | 47,6 | 47,6 |
| | | 10 : 00 | EZ | Markit Service PMI (points) | Jul | 53,3 | 53,6 |
| | | 15 : 45 | US | Markit Manufacturing PMI (points) | Jul | 51,0 | 50,6 |
| | | 15 : 45 | US | Markit Service PMI (points) | Jul | 51,7 | 51,5 |
| | | 16 : 00 | US | New home sales (annualized monthly, '000s) | Jun | 660 | 626 |
| | 25. | 10 : 00 | DE | IFO Economic sentiment index (points) | Jul | 97,1 | 97,4 |
| | | 13 : 45 | EZ | Interest rate decision (deposit rate, %) | Jul | 0,0 | 0,0 |
| | | 13 : 45 | EZ | Interest rate decision (lending rate, %) | Jul | -0,4 | -0,4 |
| | | 14 : 30 | US | Durable goods orders (MoM, %) | Jun | 0,7 | -1,3 |
| | | 14 : 30 | US | Continuing jobless claims ('000s) | weekly | 1688 | 1686 |
| | | 14 : 30 | US | Initial jobless claims ('000s) | weekly | 219 | 216 |
| | | 14 : 30 | US | GDP (preliminary, annualized QoQ, %) | Q2 | 1,8 | 3,1 |

Sources: Reuters, OTP Research

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