

Global Daily Report



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Summary

- Boris Johnson is the UK's new Prime Minister.
- Europe's auto industry shot up yesterday.
- The S&P500 closed above the 3,000 mark once again.

The UK Conservative Party's members elected Boris Johnson as the successor of the outgoing Prime Minister Theresa May. The party's new leader won 60% of the votes, in line with expectations. Given that Mr Johnson is a devoted supporter of Britain's leaving the European Union at the end of October, market players were not exactly enthusiastic about the decision. The GBP weakened against the USD but firmed versus the euro. The yield on Britain's 10Y yield dropped two basis points.

Europe's car manufacturers and their suppliers overtook everyone else on Europe's stock markets. The sector's dynamism helped Germany's DAX gain 1.6% and France's CAC40 grow by 1.0%. The optimistic attitude was supported by a number of reports from the corporate world: Morgan Stanley updated BMW's (+3.9%) shares to Overweight from Equal Weight; China's BAIC has bought a 5% stake in Daimler (+4.4%); the earnings figures of Faurecia (+11.5%) revealed that it maintained profitability even under deteriorating circumstances, and Hella's (+6.8%) shares were upgraded. Gaining 6.6% made Continental the absolute winner on the German stock exchange.

The sentiment was likewise buoyant on Wall Street, where stock indices benefited from favourable corporate earnings reports and news that talks with China would resume on Monday. Coca-Cola's revenue figures were in line with analysts' forecasts, and its Q2 earnings report came with higher guidance for full-year 2019, which sent its share price 6.1% higher, to an all-time high. The S&P500 closed above the 3,000 line. In after-hours trading, Amazon, Alphabet, and Facebook shares all shed more than 1% as the US Department of Justice launched investigation to see whether the big tech companies unlawfully stifle competition.

The USD appreciated more than 0.5% against the euro. The US 10Y yield rose by two basis points.

In Hungary, Tuesday's meeting of the MNB's Monetary Council did not change its monetary policy framework, as expected. The forint weakened against the euro and the dollar.

In the aftermath of the Iranian conflict, Brent and WTI traded about 1.0% higher at the end of the day.

Deutsche Bank released dismal quarterly figures this morning as the restructuring caused more than EUR 3 bn loss.

Today the Markit institute will publish purchasing managers' indices from Europe and USA. As the earnings season goes ahead, Caterpillar, Facebook, and Tesla will publish their quarterly figures 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	3005,5	0,7	19,9	VIX	12,6	-6,8	-50	WTI	57,1	1,5	25,6
	DOW	27349,2	0,7	17,2	US 2Y	1,84	2,1	-66	Brent	63,83	0,9	18,6
	Nasdaq100	7954,6	0,6	25,7	US 10Y	2,07	3,1	-62	Gold	1417,0	-0,5	10,5
	DAX	12490,7	1,6	18,3	GER 2Y	-0,78	-0,8	-19	Silver	16,40	0,3	5,9
	CAC40	5618,2	0,9	18,8	GER 10Y	-0,36	-1,0	-60	EUR/USD	1,1151	-0,5	-2,8
	FTSE 100	7556,9	0,6	12,3	PT10Y	0,48	1,3	-124	EUR/GBP	0,8962	-0,3	-0,2
	FTSE MIB	21954,7	1,0	19,8	IT 10Y	1,60	-6,4	-117	EUR/NOK	9,6780	0,3	-2,3
	Stoxx600	391,5	1,0	16,0	SP 10	0,41	-0,1	-102	USD/CAD	1,3132	0,1	-3,7
	- Banks	113,8	1,2	0,6	iTRAXX	47,7	-0,6	-46	AUD/USD	0,7004	-0,4	-0,6
	Nikkei 225	21709,6	0,4	8,5	JPY 2Y	-0,20	0,1	-7	USD/JPY	108,21	0,3	-1,2
SSEC	2922,6	0,8	17,2	JPY 10Y	-0,15	-0,2	-15	GBP/USD	1,2436	-0,3	-2,5	
Regional	RTS	1345,5	0,3	25,9	RUS10	7,3	-0,3	-17	USD/RUB	63,178	0,1	-9,3
	WIG20	2335,86	-0,3	2,6	POL 10	2,1	-1,9	-26	EUR/PLN	4,25	0,2	-0,8
	PX50	1071,2	0,2	8,6	CZ10	1,4	-2,3	-28	EUR/RON	4,718	0,0	1,4
Hungary	BUX	41367	0,1	5,7	3M DKJ	0,15	0,0	8	EUR/HUF	325,89	0,2	1,6
	OTP	12680	0,5	12,3	1Y	0,25	0,0	-20	USD/HUF	292,14	0,7	4,4
	MOL	3082	-0,6	0,1	3Y	0,92	-3,0	-34	CHF/HUF	296,54	0,4	3,9
	MTelekom	437	0,3	-0,7	5Y	1,38	-7,0	-115	PLN/HUF	76,56	0,0	2,6
	Richter	5025	0,3	-7,5	10Y	2,32	-6,0	-72	GBP/HUF	363,59	0,5	2,1

* 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	0,9
		16 : 00	EZ	Consumer confidence (point)	Jul	-6,6	-7,2	-7,2
		16 : 00	US	Existing home sales (MoM, %)	Jun	5270	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
	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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