

Global Daily Report



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Summary

- America's stock markets ground higher, Europe closed mixed on Wednesday.
- Government bond yields dropped.
- Germany released disappointing macroeconomic figure.

America's stock markets nudged higher on Wednesday when the S&P500 rose by 0.5%, the Nasdaq100 gained 0.7% to break new record, and only the Dow shed 0.3%. The Nasdaq100's rise was fuelled by semiconductor manufacturers – one of them, Texas Instruments surged 7.1%, after suggesting that the deceleration in global demand for microchips may end shorter than had been thought. Markets were also driven by corporate reports. Boeing's shares descended 2.8%, as the company reported its biggest-ever quarterly loss, partly because of the ban on its 737 MAX aircraft. One of the losers of the day, Tesla saw its share price reverse 11.5% as the electric car manufacturer missed Q2 targets, and once again put off the expected date of becoming profitable. Moreover, its chief technology officer, a founding member, also stepped down. Facebook is facing a record-high fine of USD 5 bn for failing to address privacy concerns, the US Federal Trade Commission said. The social media firm's shares dipped 0.4% in Wednesday's trading.

Europe's stock indices closed mixed yesterday, when the DAX advanced 0.3%, the Stoxx600 inched up 0.1%, while the CAC40 shed 0.2% and the FTSE100 sank 0.7%. In addition to market uncertainty, the dismal macroeconomic data and the disappointing corporate earnings numbers released yesterday also weighed on indices. Nevertheless, the favourable reports on USA-China trade talks, and the expectations of the ECB's monetary easing could partly offset the negative sentiment. One of the biggest losers of the day was Deutsche Bank, whose quarterly report came with bigger-than-expected restructuring cost. Aston Martin's stock price nose-dived 23.2% as the car manufacturer lowered its sales guidance for this year. Fears of an economic slowdown dragged down commodity producers' share price by 1.5%. Credit Suisse's move to downgrade Rio Tinto's stocks to Underperform sent the mining company's share price 4% lower.

Speaking to journalists, Britain's new Prime Minister Boris Johnson confirmed his position that Great Britain would definitely leave the European Union on 31 October. To signify the importance of his words, he announced he would appoint the head of the Brexit campaign, Dominic Cummings, chief counsellor to Prime Minister.

The pound firmed 0.4% against the euro. Government bond yields dropped across the board: those on US and German 10Y instruments came down 2.4 and 2.2 basis points, respectively, while Italian and Spanish bond yields slipped 10.6 and 5.5 bps, in that order.

The figures released yesterday on Europe's manufacturing industry were rather disappointing. The July reading of the Markit manufacturing purchasing managers' indices suggests that the sector's business environment has further deteriorated since the previous month, missing analysts' expectations. The discrepancy is particularly wide in Germany, where the indicator was at 43.1, as opposed to the market consensus of 45.2. The unfavourable reading, which was dragged down by the decline in export orders, adds to the likelihood that the eurozone's biggest economy may sink into temporary recession. The US housing data did not cheer either: new home sales hit 646,000 in June, whereas economists had forecast 660,000 sales.

The ECB holds monetary policy decision today. Germany's dismal PMI figure adds to expectations that the ECB might reduce its key policy rate, but analysts' consensus is that the European Central Bank will not lower interest rates this time, as such move seems unlikely to take place before September.

	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	3019,6	0,5	20,5	VIX	12,1	-4,3	-53	WTI	55,9	-2,1	23,1
	DOW	27270,0	-0,3	16,9	US 2Y	1,83	-0,9	-67	Brent	63,18	-1,0	17,4
	Nasdaq100	8010,6	0,7	26,6	US 10Y	2,05	-2,4	-64	Gold	1425,8	0,6	11,2
	DAX	12522,9	0,3	18,6	GER 2Y	-0,78	-0,1	-19	Silver	16,59	1,2	7,2
	CAC40	5605,9	-0,2	18,5	GER 10Y	-0,38	-2,2	-63	EUR/USD	1,1139	-0,1	-2,9
	FTSE 100	7501,5	-0,7	11,5	PT10Y	0,43	-5,4	-130	EUR/GBP	0,8923	-0,4	-0,7
	FTSE MIB	22080,3	0,6	20,5	IT 10Y	1,50	-10,6	-128	EUR/NOK	9,6259	-0,5	-2,8
	Stoxx600	391,7	0,0	16,0	SP 10	0,35	-5,5	-107	USD/CAD	1,3139	0,1	-3,7
	- Banks	112,9	-0,8	-0,2	iTRAXX	45,7	-4,2	-48	AUD/USD	0,6976	-0,4	-1,0
	Nikkei 225	21760,1	0,2	8,7	JPY 2Y	-0,21	-0,5	-7	USD/JPY	108,17	0,0	-1,3
SSEC	2926,8	0,1	17,4	JPY 10Y	-0,15	-0,1	-15	GBP/USD	1,2481	0,4	-2,2	
Regional	RTS	1339,6	-0,4	25,3	RUS10	7,3	-0,1	-17	USD/RUB	63,302	0,2	-9,2
	WIG20	2335,41	0,0	2,6	POL 10	2,0	-4,3	-29	EUR/PLN	4,25	-0,1	-0,9
	PX50	1075,4	0,4	9,0	CZ10	1,3	-3,4	-31	EUR/RON	4,717	0,0	1,4
Hungary	BUX	41303	-0,2	5,5	3M DKJ	0,15	0,0	8	EUR/HUF	325,33	-0,2	1,4
	OTP	12600	-0,6	11,6	1Y	0,25	0,0	-20	USD/HUF	291,93	-0,1	4,4
	MOL	3100	0,6	0,7	3Y	0,87	-5,0	-39	CHF/HUF	296,36	-0,1	3,8
	MTelekom	435	-0,5	-1,1	5Y	1,32	-6,0	-121	PLN/HUF	76,46	-0,1	2,5
	Richter	5005	-0,4	-7,8	10Y	2,21	-11,0	-83	GBP/HUF	364,76	0,3	2,4

* 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. 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	50,6	51,6	51,9
		9 : 15	FR	Markit Service PMI (points)	Jul	52,2	52,6	52,9
		9 : 30	DE	Markit Manufacturing PMI (points)	Jul	43,1	45,2	45,0
		9 : 30	DE	Markit Service PMI (points)	Jul	55,4	55,3	55,8
		10 : 00	EZ	Markit Manufacturing PMI (points)	Jul	46,4	47,6	47,6
		10 : 00	EZ	Markit Service PMI (points)	Jul	53,3	53,3	53,6
		15 : 45	US	Markit Manufacturing PMI (points)	Jul	50,0	51,0	50,6
		15 : 45	US	Markit Service PMI (points)	Jul	52,2	51,7	51,5
		16 : 00	US	New home sales (annualized monthly, '000s)	Jun	646,0	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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