

Global Daily Report



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Summary

- Investor sentiment was pessimistic on the US stock market, European indices has fallen.
- The new round US-China trade negotiations started in a confrontational manner.
- The British pound has weakened.
- Positive consumer confidence indicator was published about the United States.

US stock indices weakened amidst renewed trade war tensions between the US and China. The Dow declined by 0.1%, the S&P500 by 0.3%, the Nasdaq100 by 0.5%. Among economic sectors, financials performed one of the weakest. The sector index lost 0.6%, when news broke, that personal data of around 106 million clients of the Capital One credit card issuer have been compromised. The shares of the company fell by 6.1%. Apple published its quarterly reports after the bell. The revenues of the company were \$53 billion, which is 1% higher compared to the same period of the previous year. More than half of the total revenues – \$29.5 billion – came from iPhone sales. Analysts payed special attention to the Chinese sales of Apple. It can be considered positive that despite rising trade war tensions the CEO of the company, Tim Cook, reported rising revenues from China.

European markets closed the Tuesday trade in the negative territory. The Stoxx600 fell by 1.5%, the CAC40 by 1.6% and the DAX by 2.2%, while the FTSE100 declined by 0.5%. Fears about slowing global growth contributed to the pessimistic investor sentiment. One of the greatest losers of the day was Bayer AG. Shares of the agricultural supply provider declined by 3% after it was revealed that floods on American farms had a serious impact on the company and make it more difficult to reach the earnings targets for this year. The Lufthansa fell by 5.6% after the German airline company reported about declining profit in the second quarter.

The new round to trade negotiations between the United States and China began yesterday. The US president, Donald Trump, started in a confrontational manner, reminding the Chinese not to try to extend talks until after the US presidential elections in 2020. Trump made the threat, that in case no agreement is reached and he is re-elected, he will only be willing the make a deal on harsher terms, if he will be willing at all.

Fears about a no-deal Brexit weakened the British pound: the EURGBP climbed 0.6%. The dollar weakened by 0.1% against the euro. As a result of decreasing US oil inventories, the oil price climbed higher: the WTI increased by 2.1%, the Brent by 1.6%.

US consumer confidence indicator for July was positive despite worries about decelerating global growth and trade tensions. The indicator showed 135.7 points, compared to the economic consensus of 124.5 points. Favourable data was also published about the US housing market. In June pending home sales increased by 2.8% MoM compared to the 2.3% growth expected by analysts.

The Open Market Committee holds its meeting today. According to the market consensus, the monetary policymakers will cut the base rate by 25 basis points from 2.25-2.5% to 2-2.25%. Furthermore, the second quarter GDP of the eurozone is published today, as well as the inflation statistics for July.

	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	3013,2	-0,3	20,2	VIX	13,9	8,7	-45	WTI	58,1	2,1	27,8
	DOW	27198,0	-0,1	16,6	US 2Y	1,85	0	-65	Brent	64,72	1,6	20,3
	Nasdaq100	7952,5	-0,5	25,6	US 10Y	2,06	1	-63	Gold	1430,6	0,3	11,5
	DAX	12147,2	-2,2	15,0	GER 2Y	-0,76	1	-17	Silver	16,58	0,7	7,1
	CAC40	5511,1	-1,6	16,5	GER 10Y	-0,40	-1	-64	EUR/USD	1,1153	0,1	-2,8
	FTSE 100	7646,8	-0,5	13,7	PT10Y	0,41	-2	-132	EUR/GBP	0,9178	0,6	2,2
	FTSE MIB	21278,2	-2,0	16,1	IT 10Y	1,58	0	-119	EUR/NOK	9,7593	0,7	-1,5
	Stoxx600	385,1	-1,5	14,1	SP 10	0,36	0	-106	USD/CAD	1,3146	-0,1	-3,6
	- Banks	108,4	-2,3	-4,1	iTRAXX	51,0	3,6	-42	AUD/USD	0,6871	-0,4	-2,5
	Nikkei 225	21537,7	-0,7	7,6	JPY 2Y	-0,21	1	-7	USD/JPY	108,59	-0,2	-0,9
	SSEC	2938,1	-0,5	17,8	JPY 10Y	-0,15	0	-16	GBP/USD	1,2149	-0,6	-4,8
Regional	RTS	1352,9	-0,1	26,6	RUS10	7,4	0	-16	USD/RUB	63,493	0,1	-8,9
	WIG20	2263,92	-1,0	-0,6	POL 10	2,2	4	-22	EUR/PLN	4,30	0,2	0,2
	PX50	1062,2	-0,8	7,7	CZ10	1,3	-5	-35	EUR/RON	4,729	0,0	1,7
Hungary	BUX	40844	-0,4	4,4	3M DKJ	0,12	0	5	EUR/HUF	327,52	-0,1	2,1
	OTP	12400	-0,3	9,8	1Y	0,13	0	-32	USD/HUF	293,54	-0,2	4,9
	MOL	3004	-0,7	-2,4	3Y	0,84	-3	-42	CHF/HUF	296,35	-0,1	3,8
	MTelekom	435	-0,7	-1,1	5Y	1,33	5	-120	PLN/HUF	76,16	-0,3	2,1
	Richter	5160	0,0	-5,0	10Y	2,34	9	-70	GBP/HUF	357,10	-0,8	0,2

* 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. 29.	9 : 00	HU Unemployment rate (%)	Jun	3,3	-	3,4
	30. 5 : 00	JP Interest rate decision (%)	Jul	-0,1	-0,1	-0,1
	7 : 30	FR GDP (preliminary, QoQ, %)	Q2	0,2	0,3	0,3
	9 : 00	HU Gross wages (YoY, %)	May	11,2	-	9,0
	11 : 00	EZ EC Economic Sentiment Index (points)	Jul	102,7	102,6	103,3
	14 : 00	DE CPI (preliminary, YoY, %)	Jul	1,7	1,5	1,6
	14 : 30	US Personal income (MoM, %)	Jun	0,4	0,4	0,5
	14 : 30	US Personal consumption (adjusted, MoM, %)	Jun	0,3	0,3	0,4
	15 : 00	US Case-Shiller Home Price Index (YoY, %)	May	2,4	2,4	2,5
	16 : 00	US Consumer confidence (point)	Jul	135,7	124,5	121,5
	16 : 00	US Pending home sales (MoM, %)	Jun	2,8	2,3	1,1
	31. 3 : 00	CN NBS Non-manufacturing PMI (points)	Jul	53,7		54,2
	3 : 00	CN NBS Manufacturing PMI (points)	Jul	49,7	49,6	49,4
	9 : 00	HU Industrial producer prices (YoY, %)	Jun		-	2,7
	9 : 00	ES GDP (preliminary, QoQ, %)	Q2		0,6	0,7
	10 : 00	HU Aggregated real house price index (Nat. Bank of Hungary)	Q1		-	147,4
	11 : 00	EZ CPI (flash, YoY, %)	Jul		1,1	1,3
	11 : 00	EZ Core CPI (flash, YoY, %)	Jul		1,0	1,1
	11 : 00	EZ Unemployment rate (%)	Jun		7,5	7,5
	11 : 00	EZ GDP (preliminary, YoY, %)	Q2		1,0	1,2
	11 : 00	EZ GDP (preliminary, QoQ, %)	Q2		0,2	0,4
	12 : 00	IT GDP (preliminary, QoQ, %)	Q2		-0,1	0,1
	14 : 15	US ADP non-farm employment (MoM, '000s)	Jul		153	102
	15 : 45	US Chicago PMI (points)	Jul		50,5	49,7
	20 : 00	US Interest rate decision (%)	Jul		2,0-2,25	2,25-2,5
8. 1.	9 : 00	HU Manufacturing PMI (points)	Jul		-	54,4
	9 : 00	HU Trade balance (detailed, monthly, EUR mn)	May		-	678*
	13 : 00	CZ Interest rate decision (%)	Aug			2,0
	13 : 00	UK Interest rate decision (%)	Aug		0,8	0,8
	14 : 30	US Continuing jobless claims ('000s)	weekly			1676
	14 : 30	US Initial jobless claims ('000s)	weekly			206
	16 : 00	US Construction expenditure (MoM, %)	Jun		0,4	-0,8
	16 : 00	US ISM Manufacturing PMI (points)	Jul		52,7	51,7
2.	9 : 00	HU Retail sales (flash estimate, YoY, SA, %)	Jun		-	2,6
	11 : 00	EZ Retail sales (MoM, %)	Jun		0,3	-0,3
	14 : 30	US Average earnings (YoY, %)	Jul			3,1
	14 : 30	US Average earnings (MoM, %)	Jul		0,2	0,2
	14 : 30	US Unemployment rate (%)	Jul		3,6	3,7
	14 : 30	US Non-farm payroll (MoM, '000s)	Jul		160	224
	16 : 00	US Factory orders (MoM, %)	Jun			-0,7

* preliminary data

Sources: Reuters, OTP Research

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This document was prepared on 31 July 2019.

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