

Global Daily Report



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Summary

- President Trump imposed new, 10% import tariff on USD 300 bn worth of Chinese goods
- The announcement sent US stock indices lower; US bond yields sank
- WTI crude dived more than 8%, while gold price surged 2.2%.
- Trade tension between Japan and South Korea over WW2 compensation is intensifying

Thursday's US trading was fairly optimistic until Europe's stock markets closed and President Trump's tweet soured the sentiment. Citing the failure to make headway in the trade talks with China, he imposed new, 10% tariff on USD 300 bn worth of Chinese imports, he posted. Moreover, he threatened to raise the tariff rate to as much as 25% later on. This announcement put an end to the rally in the USA, where stock markets closed in the red: the S&P500 slid 0.9% and the Nasdaq100 fell 0.6%.

In Europe, Germany's DAX rose by 0.5%, France's CAC40 advanced 0.7%, and Britain's FTSE100 closed flat. Despite the bright sentiment on markets in most part of the day, the CEE region's stock markets underperformed: Poland's WIG20 fell 1.6%, and Hungary's BUX dropped 0.7%.

This morning Japan's Nikkei slipped 2.1%, and mainland China's SSEC subsided 2.1%.

The euro's slight appreciation raised the EUR/USD by 0.1% and lifted the EUR/GBP by 0.3%. The US dollar firmed 0.7% against the AUD.

President Trump's announcement sent crude prices tumbling. Brent plunged 7.2% and WTI slid 8.3%. Gold (+2.2%) and silver (0.4%) glittered yesterday. The fall in US stock indices, the drop in bond yields, as well as the rise in precious metal prices all indicate that stock markets lost risk appetite.

The chances that Britain will sink into recession in 2020 is one in three, warns the latest forecast of the Bank of England. In its baseline scenario, the BoE projects 1.3% growth rates for both 2019 and 2020, down from the previous estimates of 1.5% and 1.6%, respectively.

On top of the USA-China trade war, the trade tension between Japan and South Korea is escalating too. Japan threatened to remove South Korea from the list of favoured countries, whom it grants export advantages. The two countries have failed to agree on the size of compensation for Koreans who had been forced to work for Japanese companies in the Second World War.

	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	2953,6	-0,9	17,8	VIX	17,9	10,9	-30	WTI	53,7	-8,3	18,3
	DOW	26583,4	-1,0	14,0	US 2Y	1,72	-17	-78	Brent	60,50	-7,2	12,5
	Nasdaq100	7801,2	-0,6	23,2	US 10Y	1,89	-13	-80	Gold	1445,1	2,2	12,7
	DAX	12253,2	0,5	16,0	GER 2Y	-0,77	1	-18	Silver	16,33	0,4	5,5
	CAC40	5557,4	0,7	17,5	GER 10Y	-0,45	-2	-70	EUR/USD	1,1083	0,1	-3,4
	FTSE 100	7584,9	0,0	12,7	PT10Y	0,35	0	-137	EUR/GBP	0,9135	0,3	1,7
	FTSE MIB	21566,9	0,8	17,7	IT 10Y	1,55	1	-122	EUR/NOK	9,8578	0,4	-0,5
	Stoxx600	387,7	0,5	14,8	SP 10	0,29	0	-113	USD/CAD	1,3211	0,2	-3,1
	- Banks	108,0	-0,2	-4,4	iTRAXX	50,5	0,9	-43	AUD/USD	0,6799	-0,7	-3,5
	Nikkei 225	21087,2	-2,1	5,4	JPY 2Y	-0,20	-2	-7	USD/JPY	107,33	-1,3	-2,0
	SSEC	2866,5	-1,5	14,9	JPY 10Y	-0,17	-3	-17	GBP/USD	1,2131	-0,2	-4,9
Regional	RTS	1346,4	-1,0	26,0	RUS10	7,3	1	-16	USD/RUB	64,366	1,1	-7,6
	WIG20	2240,78	-1,6	-1,6	POL 10	2,2	1	-23	EUR/PLN	4,31	0,4	0,5
	PX50	1047,1	-0,9	6,1	CZ10	1,2	0	-37	EUR/RON	4,734	0,2	1,8
Hungary	BUX	40474	-0,7	3,4	3M DKJ	0,12	0	5	EUR/HUF	327,06	0,3	1,9
	OTP	12080	-1,8	7,0	1Y	0,12	0	-33	USD/HUF	295,18	0,3	5,5
	MOL	3004	0,1	-2,4	3Y	0,84	1	-42	CHF/HUF	297,45	0,7	4,2
	MTelekom	429	0,4	-2,5	5Y	1,37	4	-116	PLN/HUF	75,99	0,0	1,9
	Richter	5160	-0,5	-5,0	10Y	2,33	-2	-71	GBP/HUF	359,07	0,4	0,8

* 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	0,1	-	2,7
	9 : 00	ES GDP (preliminary, QoQ, %)	Q2	0,5	0,6	0,7
	10 : 00	HU Aggregated real house price index (Nat. Bank of Hungary)	Q1	158,8	-	149,0
	11 : 00	EZ CPI (flash, YoY, %)	Jul	1,1	1,1	1,3
	11 : 00	EZ Core CPI (flash, YoY, %)	Jul	0,9	1,0	1,1
	11 : 00	EZ Unemployment rate (%)	Jun	7,5	7,5	7,5
	11 : 00	EZ GDP (preliminary, YoY, %)	Q2	1,1	1,0	1,2
	11 : 00	EZ GDP (preliminary, QoQ, %)	Q2	0,2	0,2	0,4
	12 : 00	IT GDP (preliminary, QoQ, %)	Q2	0,0	-0,1	0,1
	14 : 15	US ADP non-farm employment (MoM, '000s)	Jul	156,0	112	102
	15 : 45	US Chicago PMI (points)	Jul	44,4	50,5	49,7
	20 : 00	US Interest rate decision (%)	Jul	2,0-2,25	2,0-2,25	2,25-2,5
8. 1.	9 : 00	HU Manufacturing PMI (points)	Jul	51,3	-	54,4
	9 : 00	HU Trade balance (detailed, monthly, EUR mn)	May	674,0	-	678*
	13 : 00	CZ Interest rate decision (%)	Aug	2,0		2,0
	13 : 00	UK Interest rate decision (%)	Aug	0,8	0,8	0,8
	14 : 30	US Continuing jobless claims ('000s)	weekly	1699,0		1676
	14 : 30	US Initial jobless claims ('000s)	weekly	215,0		206
	16 : 00	US Construction expenditure (MoM, %)	Jun	-1,3	0,4	-0,8
	16 : 00	US ISM Manufacturing PMI (points)	Jul	51,2	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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