

Global Daily Report



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Summary

- Monday's sentiment was depressed across Europe, America's indices closed mixed.
- The EUR extended its gains versus the US dollar.
- Crude oil prices fell again

The Q2 GDP data released in China, indicating slowing economic expansion in quarter/quarter terms, brought back growth fears and concerns about the Chinese economy's demand for commodities into the forefront. Accordingly, commodity-related companies' shares fell in Europe on Monday: BHP Billiton contracted by 2.5%, while Glencore and ArcelorMittal sank 1.3% each. The FTSE closed 0.8% lower, the Stoxx600 dropped 0.3% and the CAC40 fell 0.4%. The DAX crept 0.2% higher, largely benefiting from Deutsche Bank's 8% surge after forecasting that its Q2 profit would beat market expectations. This gave impetus to European banking shares too: Commerzbank advanced more than 2%, Banco Santander added 0.3%, and Unicredit rose by 0.2%.

US stock markets lacked a single direction: the Dow nudged higher, the S&P edged lower, and the NASDAQ100 shed 0.2%. Within the S&P, the financial sector was the strongest performer, while the energy and commodity sectors were its weakest components. Bank of America's share price jumped 4.3% on the back of a better-than-expected Q2 earnings report. JP Morgan soared 4%, and Citibank gained 3.7%. By contrast, Tesla reversed 2.8% on news that the company reached the sales limit of 200,000 vehicles, thus it is no longer entitled for federal tax credit offered for electric cars. Despite the technical glitch on Amazon Prime Day, Amazon's share price closed 0.5% higher. Netflix fell 13% in after-hours trading, as subscriber numbers grew slower in the second quarter than it had forecast. Later in the week, Goldman Sachs, Morgan Stanley, Microsoft, Unilever, Johnson & Johnson and IBM will release their earnings figures.

In the CEE region the BUX sank 1.1%, Warsaw's WIG20 lost more than 1%, while the Czech benchmark gained 0.3%.

The US dollar weakened 0.3% against the euro.

On the commodity market, crude prices fell sharply on Monday: the WTI dived more than 4%, to near 68 USD/barrel, and a similar fall took the Brent to the neighbourhood of 72 USD/barrel. This plunge came after US Treasury Secretary Mnuchin's statement, made on Friday but embargoed for release until Monday, that some oil importing countries that need more time to reduce their oil imports from Iran, may receive temporary exemption from the sanctions. Meanwhile, Saudi Arabia is reported to be producing record-high volumes of petroleum this month.

At the end of Monday's US trading, the IMF published its updated World Economic Outlook. The Fund barely changed its growth forecast but the document warned that US inflation may surpass expectations, which may prompt the Fed to act quicker in hiking interest rates. Because of the sudden change in asset prices, this may lead to stronger volatility, particularly for emerging market assets.

This morning Asia's stock markets, except Japan and India, closed in the red. The losses of stock markets in mainland China and Hong Kong are widely attributed to the global trade tension. This morning the FTSE100 futures was flat, while the S&P futures slipped 0.1%.

Industrial production statistics for June are due out in the USA, and the Fed's chair's hearing before Senate Banking Committee may be in the centre of investors' attention 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	2798,4	-0,1	4,7	VIX	12,8	5,3	16	WTI	68,1	-4,2	12,6
	DOW	25064,4	0,2	1,4	US 2Y	2,60	2	71	Brent	71,84	-4,6	7,4
	Nasdaq100	7357,9	-0,2	15,0	US 10Y	2,86	2	45	Gold	1240,1	-0,1	-4,8
	DAX	12561,0	0,2	-2,8	GER 2Y	-0,65	0	-2	Silver	15,74	-0,3	-7,1
	CAC40	5409,4	-0,4	1,8	GER 10Y	0,31	2	-12	EUR/USD	1,17	0,2	-2,4
	FTSE 100	7600,5	-0,8	-1,1	PT10Y	1,79	2	-14	EUR/GBP	0,88	0,2	-0,4
	FTSE MIB	21823,0	-0,3	-0,1	IT 10Y	2,58	2	58	EUR/NOK	9,49	0,1	-3,7
	Stoxx600	384,1	-0,3	-1,3	SP 10	1,29	1	-28	USD/CAD	1,31	-0,2	4,4
	- Banks	141,0	0,7	-14,6	iTRAXX	64,1	-1,5	42	AUD/USD	0,74	-0,1	-4,9
	Nikkei 225	22697,4	0,4	-0,3	JPY 2Y	-0,13	0	1	USD/JPY	112,28	-0,1	-0,3
	SSEC	2780,5	-1,2	-15,9	JPY 10Y	0,04	0	-1	GBP/USD	1,32	0,0	-2,1
Regional	RTS	1180,6	-0,7	2,3	RUS10	7,6	0,5	-1	USD/RUB	62,279	-0,4	8,0
	WIG20	2133,98	-1,1	-13,3	POL 10	3,2	-0,1	-4	EUR/PLN	4,30	-0,2	3,0
	PX50	1088,2	0,3	0,9	CZ10	2,1	-0,6	41	EUR/RON	4,654	0,1	-0,5
Hungary	BUX	35267	-1,1	-10,4	3M DKJ	0,20	0	16	EUR/HUF	322,98	0,1	4,0
	OTP	10140	-0,1	-5,4	1Y	0,61	1	56	USD/HUF	275,66	-0,2	6,5
	MOL	2660	-2,3	-11,5	3Y	1,86	-1	131	CHF/HUF	276,57	0,2	4,4
	MTelekom	409	1,5	-10,7	5Y	2,83	-2	166	PLN/HUF	75,05	0,3	1,0
	Richter	4792	-1,8	-29,3	10Y	3,37	-2	133	GBP/HUF	364,74	-0,3	4,4

* 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.
2018 7. 16.	4 : 00	CN GDP (yoy, %)	Q2	6,7	6,7	6,8
	4 : 00	CN GDP (qoq, SA, %)	Q2	1,8	1,6	1,4
	4 : 00	CN Infrastructural spending (yoy, %)	Jun	6,0	6,0	6,1
	4 : 00	CN Industrial production (yoy, %)	Jun	6,0	6,5	6,8
	4 : 00	CN Retail sales (yoy, %)	Jun	9,0	9,0	8,5
	9 : 00	HU Construction output (yoy, %)	May	15	-	14,2
	14 : 30	US Retail sales (mom, %)	Jun	0,5	0,6	0,8
	14 : 30	US New York Fed Manufacturing index (points)	Jul	22,6	22,8	25,0
	16 : 00	US IMF World Economic Outlook	-	-	-	-
	16 : 00	US Business inventories (mom, %)	May	0,4	0,4	0,3
17.	15 : 15	US Industrial production (mom, %)	Jun		0,5	-0,1
	16 : 00	US Jerome Powell testimony to the Senate Banking Committee	-		-	-
18.	10 : 30	UK Inflation (yoy, %)	Jun		2,6	2,4
	10 : 30	UK Core inflation (yoy, %)	Jun		2,2	2,1
	11 : 00	EZ CPI (final, yoy, %)	Jun		2,0	2,0*
	14 : 30	US Housing starts (annualized monthly, '000s)	Jun		1323	1350
	14 : 30	US Building permits (annualized monthly, '000s)	Jun		1328	1301
	20 : 00	US Fed Beige Book	-		-	-
19.	10 : 30	UK Retail sales (mom, %)	Jun		0,5	1,3
	16 : 00	US Leading index (mom, %)	Jun		0,3	0,2
20.	1 : 30	JP CPI (yoy, %)	Jun		-	0,7
	1 : 30	JP core-CPI (yoy, %)	Jun		0,8	0,7
	9 : 00	HU Gross wages (yoy, %)	May		-	12,6
		OPEC and non-OPEC Ministerial Meeting	-		-	-

* preliminary data

Sources: Reuters, OTP Research

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