

Global Daily Report



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Summary

- Wednesday's sentiment was benign on global stock markets, but the CEE region closed with modest losses.
- The USD firmed versus the EUR
- Future rate hikes are not set in stone, they will depend on inflation, the Fed's chair said
- Oil prices climbed 0.5% higher; precious metal prices edged down.

Wednesday's sentiment was fairly benign on global stock markets. In America, the S&P500 ground 0.2% higher, while the NASDAQ100 dropped that much. In Europe, the DAX advanced 0.8%, the CAC40 grew by 0.5%, and the FTSE100 gained 0.7%. Investors were less optimistic in Central and Eastern Europe where the BUX shed 0.1% and the WIG20 sank 0.2%.

In this morning's session in Asia, Japan's and China's stock indices edged lower.

The US dollar firmed 0.2% versus the euro, but it nearly flat-lined against the yen. The HUF moderately weakened compared to the key currencies.

Morgan Stanley's second-quarter report, released on Wednesday, has beaten analysts' forecasts. Its revenue amounted to USD 10.6 billion (rather than USD 10.1 bn), and its earnings per share hit USD 1.3 (versus USD 1.11). By now, America's sixth largest financial institutions have published their earnings reports, posting reassuring figures on the whole. Accordingly, the S&P500 financials sector index has surged 2.8% since Friday.

The Fed chairman's Tuesday testimony at the US Congress Banking Committee raised a few eyebrows. Mr Powell said that the Fed's interest rate hikes depend on inflation, rather than being set in stone. Both the forecast published after the Fed's June rate-setting meeting and the market consensus project three interest rate hikes in 2019. Analysts say that the Fed chair is trying to retain optionality and flexibility, given the effects of the fiscal policy and the trade war on the interest rate trajectory.

Oil price grew by 1%, while precious metal prices inched lower.

Only a handful of data is set to be released today. Britain's retail sales statistics and the US Leading Economic Index may grab investors' attention. The latter is a forward-looking composite index combining ten economic components.

	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	2815,6	0,2	5,3	VIX	12,1	0,3	10	WTI	68,8	2,7	13,8
	DOW	25199,3	0,3	1,9	US 2Y	2,61	0	72	Brent	72,90	1,0	9,0
	Nasdaq100	7390,1	-0,2	15,5	US 10Y	2,88	1	46	Gold	1226,4	-0,1	-5,8
	DAX	12765,9	0,8	-1,2	GER 2Y	-0,64	1	0	Silver	15,53	-0,1	-8,4
	CAC40	5447,4	0,5	2,5	GER 10Y	0,34	-1	-8	EUR/USD	1,16	-0,2	-3,0
	FTSE 100	7676,3	0,7	-0,1	PT10Y	1,79	0	-14	EUR/GBP	0,89	0,1	0,2
	FTSE MIB	21972,2	0,0	0,5	IT 10Y	2,52	4	52	EUR/NOK	9,51	0,0	-3,5
	Stoxx600	387,1	0,5	-0,5	SP 10	1,29	3	-28	USD/CAD	1,32	-0,1	4,7
	- Banks	140,0	-0,3	-15,2	iTRAXX	63,8	0,0	41	AUD/USD	0,74	0,1	-5,2
	Nikkei 225	22764,7	-0,2	0,0	JPY 2Y	-0,13	0	1	USD/JPY	112,83	0,0	0,1
	SSEC	2770,7	-0,6	-16,2	JPY 10Y	0,04	0	-1	GBP/USD	1,31	-0,3	-3,3
Regional	RTS	1144,7	-1,8	-0,8	RUS10	7,7	0,8	1	USD/RUB	62,992	0,6	9,3
	WIG20	2149,12	-0,2	-12,7	POL 10	3,1	1,3	-5	EUR/PLN	4,31	0,3	3,1
	PX50	1087,4	0,6	0,9	CZ10	2,1	-1,0	38	EUR/RON	4,652	0,1	-0,5
Hungary	BUX	34720	-0,1	-11,8	3M DKJ	0,21	0	17	EUR/HUF	323,93	0,1	4,3
	OTP	10020	0,5	-6,5	1Y	0,60	0	55	USD/HUF	278,20	0,3	7,5
	MOL	2650	0,9	-11,8	3Y	1,78	-6	123	CHF/HUF	278,50	0,4	5,1
	MTelekom	403	-0,7	-12,0	5Y	2,77	-6	160	PLN/HUF	75,16	-0,1	1,2
	Richter	4570	-2,4	-32,6	10Y	3,31	-4	126	GBP/HUF	363,66	0,0	4,1

* 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.
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	0,6	0,6	-0,1
	16 : 00	US Jerome Powell testimony to the Senate Banking Committee	-	-	-	-
18.	10 : 30	UK Inflation (yoy, %)	Jun	2	2,6	2,4
	10 : 30	UK Core inflation (yoy, %)	Jun	1,9	2,2	2,1
	11 : 00	EZ CPI (final, yoy, %)	Jun	2	2,0	2,0*
	14 : 30	US Housing starts (annualized monthly, '000s)	Jun	1 173,0	1323	1350
	14 : 30	US Building permits (annualized monthly, '000s)	Jun	1 273	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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