

# Global Daily Report



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### Summary

- Western Europe's key indices made gains yesterday.
- Apple's earnings have beaten expectations.
- The eurozone's economic growth missed forecasts.
- The Fed's two-date rate-setting meeting is to end today.

Reversing Monday's fall, the major stock exchanges of Western Europe posted gains, as buyers outnumbered sellers on markets. Germany's DAX, the weakest link, edged only 0.1% higher, even though Lufthansa's share price soared 8.7% thanks to the cheering Q2 figures. After the recent death of Sergio Marchionne, Louis Camilleri will be Ferrari's new CEO; he used to work in the tobacco industry but has been a member of Ferrari's board of directors since 2015. Investors welcomed the announcement and Ferrari revved up 2.3% on the Milan Stock Exchange.

America's leading indices closed higher too, largely driven by corporate earnings reports. The USA-China trade war levelled up, according to Bloomberg's sources, as parties are prepared to negotiate about the tariffs imposed in a bid to avoid the escalation of the conflict. Apple's earnings figures, released after market close on Tuesday, cheered investors: although the number of iPhones barely rose, the expensive models sold well, which raised the average price. The tech giant's share price inched up in after-hours trading.

Asia's indices closed mixed this morning. Japan's Nikkei225 grew by 0.9%, while Hong Kong's Hang Seng and the Shanghai Composite stood in the red before the end of trading.

A slight forint appreciation against the USD and the EUR was the strongest performance on the emerging currency market. The EUR/USD barely changed, while the USD firmed 0.7% against the JPY after the Bank of Japan's rate decision.

The Brent and WTI futures fell more than 1%, as OPEC member states' July output hit its year-to-date highest. One reason for the stronger production is that the Republic of Congo became an OPEC member. Additionally, member states agreed in June to raise the output quota.

Industrial and precious metal prices climbed higher.

On Tuesday the Eurostat published its flash estimate on the eurozone's Q2 growth. The seasonally adjusted 2.1% year/year expansion is missing expectations, and projects further deceleration even from the pale performance of the first quarter. Meanwhile the EZ's June inflation reading surprised on the upside: consumer prices in the eurozone grew by 2.1% from the same month of the previous year, while core inflation was 1.1%. The last time for prices to surge by more than 2% was in 2013.

Today investors' focus may shift to the USA, where the Fed Open Market Committee's rate-setting meeting is to conclude and the ADP institute is to publish its non-farm payrolls statistics.

	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	2816,3	0,5	5,3	VIX	12,8	-10,0	16	WTI	68,4	-2,5	13,2
	DOW	25415,2	0,4	2,8	US 2Y	2,67	0	78	Brent	74,25	-1,0	11,0
	Nasdaq100	7232,0	0,5	13,1	US 10Y	2,96	-1	55	Gold	1223,4	0,2	-6,1
	DAX	12805,5	0,1	-0,9	GER 2Y	-0,58	1	5	Silver	15,51	0,2	-8,5
	CAC40	5511,3	0,4	3,7	GER 10Y	0,44	-1	2	EUR/USD	1,17	-0,1	-2,5
	FTSE 100	7748,8	0,6	0,8	PT10Y	1,80	0	-13	EUR/GBP	0,89	-0,1	0,3
	FTSE MIB	22215,7	1,3	1,7	IT 10Y	2,74	-5	74	EUR/NOK	9,54	0,1	-3,2
	Stoxx600	391,6	0,2	0,6	SP 10	1,41	-2	-16	USD/CAD	1,30	-0,2	3,4
	- Banks	146,9	0,7	-11,0	iTRAXX	60,9	-3,0	35	AUD/USD	0,74	0,3	-4,8
	Nikkei 225	22742,0	0,8	-0,1	JPY 2Y	-0,09	3	5	USD/JPY	111,86	0,7	-0,7
SSEC	2856,8	-0,7	-13,6	JPY 10Y	0,12	7	7	GBP/USD	1,31	-0,1	-2,9	
Regional	RTS	1173,1	0,9	1,6	RUS10	7,7	-0,6	1	USD/RUB	62,496	0,4	8,4
	WIG20	2302,13	-1,1	-6,5	POL 10	3,2	-0,8	-3	EUR/PLN	4,27	0,1	2,4
	PX50	1092,3	-0,2	1,3	CZ10	2,2	1,8	45	EUR/RON	4,620	-0,1	-1,2
Hungary	BUX	35742	-0,5	-9,2	3M DKJ	0,18	0	14	EUR/HUF	320,54	-0,3	3,2
	OTP	10320	-0,4	-3,7	1Y	0,54	0	49	USD/HUF	274,15	-0,2	5,9
	MOL	2692	-1,0	-10,4	3Y	1,58	-1	103	CHF/HUF	276,55	-0,4	4,4
	MTelekom	396	-1,9	-13,5	5Y	2,73	1	156	PLN/HUF	74,87	-0,5	0,8
	Richter	4960	0,2	-26,8	10Y	3,27	1	123	GBP/HUF	359,64	-0,2	2,9

\* 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. 30.	11 : 00	EZ EC Economic Sentiment Index (points)	Jul	112,1	112,2	112,3
	14 : 00	DE CPI (flash, yoy, %)	Jul	2	2,1	2,1
	16 : 00	US Pending home sales (mom, %)	Jun	0,9	-	-0,5
31.	3 : 00	CN NBS Manufacturing PMI (points)	Jul	51,2	51,3	51,5
	3 : 00	CN NBS non-Manufacturing PMI (points)	Jul	54,0	-	55,0
	5 : 00	JP Interest rate decision (%)	Jul	-0,1	-0,1	-0,1
	8 : 00	DE Retail sales (mom, %)	Jun	1,2	1,0	-2,1
	9 : 00	HU Industrial producer prices (yoy, %)	Jun	7,5	-	5,3
	9 : 00	AT GDP (preliminary, qoq, %)	Q2	0,7	0,6	0,8
	9 : 00	ES GDP (preliminary, qoq, %)	Q2	0,6	0,7	0,7
	11 : 00	EZ CPI (flash, yoy, %)	Jul	2,1	2,0	2,0
	11 : 00	EZ Core CPI (flash, yoy, %)	Jul	1,1	1,0	0,9
	11 : 00	EZ Unemployment rate (%)	Jun	8,3	8,3	8,4
	11 : 00	EZ GDP (preliminary, qoq, %)	Q2	0,3	0,4	0,4
	11 : 00	EZ GDP (preliminary, yoy, %)	Q2	2,1	2,2	2,5
	12 : 00	IT GDP (preliminary, qoq, %)	Q2	0,2	0,2	0,3
	14 : 30	US Personal income (mom, %)	Jun	0,4	0,4	0,4
	14 : 30	US Personal consumption (adjusted, mom, %)	Jun	0,4	0,4	0,2
	15 : 00	US Case-Shiller Home Price Index (yoy, %)	May	6,5	6,5	6,6
	15 : 45	US Chicago PMI (points)	Jul	65,5	62,3	64,1
	16 : 00	US Consumer confidence (point)	Jul	127,4	126,5	126,4
8. 1.	2 : 30	JP Nikkei Manufacturing PMI (points)	Jul	52,3	-	51,6
	9 : 00	HU Manufacturing PMI (points)	Jul	-	-	53,0
	10 : 00	HU MNB House Price Index	Q1	-	-	118,0
	14 : 15	US ADP non-farm employment (mom, '000s)	Jul	-	175,0	177,0
	16 : 00	US ISM Manufacturing PMI (points)	Jul	-	59,8	60,2
	16 : 00	US Construction expenditure (mom, %)	Jun	-	0,3	0,4
	20 : 00	US Interest rate decision (%)	Aug	-	1,75-2,0	1,75-2,0
	21 : 30	US Vehicle sales (annualized monthly, million)	Jul	-	17,3	17,5
2.	9 : 00	HU Trade balance (detailed, monthly, EUR mn)	May	-	-	577*
	13 : 00	CZ Interest rate decision (%)	Aug	-	-	1,0
	13 : 00	UK Interest rate decision (%)	Aug	-	0,8	0,5
	16 : 00	US Factory orders (mom, %)	Jun	-	1,0	0,4
3.	9 : 00	HU Retail sales (first estimate, yoy, %)	Jun	-	-	7,1*
	11 : 00	EZ Retail sales (mom, %)	Jun	-	0,3	0,0
	14 : 30	US Unemployment rate (%)	Jul	-	3,9	4,0
	14 : 30	US Average earnings (yoy, %)	Jul	-	2,7	2,7
	14 : 30	US Average earnings (mom, %)	Jul	-	0,3	0,2
	14 : 30	US Non-farm payroll (mom, '000s)	Jul	-	195	213
	16 : 00	US ISM non-Manufacturing PMI (points)	Jul	-	59,0	59,1

\* preliminary data

Sources: Reuters, OTP Research

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