

# Global Daily Report



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### Summary

- The Fed's rate decision did not surprise markets
- Most markets in Europe and America closed in the red
- Oil prices fell deeper
- The Bank of England is expected to raise its policy rate

As expected, the Federal Reserve did not change fed funds rates yesterday. The Fed's post-meeting communiqué highlighted the robust economic growth of the previous quarter and expressed positive opinion about the job market. This confirmed investors' widespread belief that the Fed was likely to hike interest rates in September and December this year. The central bank did not show any sign of taking into consideration president Trump's wish for lower interest rates.

US equities ended mixed on Wednesday. The NASDAQ100 rose by 0.6%, largely boosted by Apple shares' 5.9% soaring. Now the IT giant is just USD 12 billion short of an all-time high market capitalization of one trillion dollars. The Dow dropped 0.3%; S&P 500 fared somewhat better, yet it closed 0.1% down. Apparently, news on the US administration's plan to impose new, 25% tariff on goods imported from China, worth 200 billion, had an adverse effect on markets.

Western Europe's stock markets also suffered losses, mostly because of trade war fears. France's CAC40 shed 0.2%, and Germany's DAX fell 0.5%. The FTSE 100's 1.2% loss can be attributed to the decline in two mining shares: Glencore dived 3.8%, and Rio Tinto descended 3.4%. In Italy, the FTSE-MIB sank 1.9%, dragged down by an 8.4% plunge in Ferrari shares as the new CEO, Louis Camilleri said that the late Sergio Marchionne's targets were likely to be unfeasible.

Asia's markets were rather gloomy this morning. The Nikkei225 fell 1.1%, China's Shanghai Composite and the Hang Seng in Hong Kong stood more than 2% in the red ahead of the close.

Currency markets had a tranquil day yesterday: the EUR/USD closed nearly flat and the USD/JPY stagnated.

The WTI and the Brent lost 1% and 2.5% respectively. One reason for the continued slip in crude prices is the expected rise in OPEC members' output, which will boost global supply. Moreover, US oil inventories expanded stronger than had been thought.

Both precious and industrial metal prices sank yesterday. The fall was headed by the 3.0% plunge in copper prices. Gold price dropped 0.5%.

The ADP institute's data, released yesterday, indicated exceptionally strong US labour market, while manufacturing and construction statistics fell short of expectations.

Today's important events include the Bank of England's rate decision. The BoE is likely to raise interest rates to 0.75%, up from 0.5%. In Central and Eastern Europe, the Czech National Bank will publish its interest rate decision.

	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	2813,4	-0,1	5,2	VIX	13,2	2,5	19	WTI	67,7	-1,0	12,1
	DOW	25333,8	-0,3	2,5	US 2Y	2,68	1	79	Brent	72,39	-2,5	8,3
	Nasdaq100	7272,9	0,6	13,7	US 10Y	3,00	4	59	Gold	1215,5	-0,6	-6,7
	DAX	12737,1	-0,5	-1,4	GER 2Y	-0,55	3	8	Silver	15,35	-1,1	-9,4
	CAC40	5498,4	-0,2	3,5	GER 10Y	0,49	5	7	EUR/USD	1,17	-0,3	-2,8
	FTSE 100	7652,9	-1,2	-0,5	PT10Y	1,83	3	-10	EUR/GBP	0,89	-0,2	0,0
	FTSE MIB	21791,5	-1,9	-0,3	IT 10Y	2,80	6	80	EUR/NOK	9,54	0,0	-3,2
	Stoxx600	389,8	-0,5	0,2	SP 10	1,48	6	-9	USD/CAD	1,30	0,0	3,4
	- Banks	145,3	-1,1	-12,0	iTRAXX	61,6	1,2	36	AUD/USD	0,74	-0,3	-5,1
	Nikkei 225	22512,5	-1,0	-1,1	JPY 2Y	-0,10	-1	4	USD/JPY	111,71	-0,1	-0,9
SSEC	2748,1	-2,7	-16,9	JPY 10Y	0,12	0	7	GBP/USD	1,31	0,0	-2,9	
Regional	RTS	1160,1	-1,1	0,5	RUS10	7,7	0,5	2	USD/RUB	63,003	0,8	9,3
	WIG20	2315,48	0,6	-5,9	POL 10	3,2	-0,9	-4	EUR/PLN	4,26	-0,4	2,0
	PX50	1089,5	-0,3	1,1	CZ10	2,2	0,6	45	EUR/RON	4,617	-0,1	-1,3
Hungary	BUX	36208	1,3	-8,0	3M DKJ	0,16	-2	12	EUR/HUF	320,62	0,0	3,2
	OTP	10490	1,6	-2,1	1Y	0,46	-8	41	USD/HUF	274,85	0,3	6,2
	MOL	2750	2,2	-8,5	3Y	1,58	0	103	CHF/HUF	276,94	0,1	4,5
	MTelekom	399	0,6	-13,0	5Y	2,77	4	160	PLN/HUF	75,21	0,5	1,3
	Richter	4970	0,2	-26,7	10Y	3,31	4	127	GBP/HUF	360,74	0,3	3,3

\* 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	53,1	-	53,0
	10 : 00	HU MNB House Price Index	Q1	113,2	-	112,2
	14 : 15	US ADP non-farm employment (mom, '000s)	Jul	219,0	175,0	177,0
	16 : 00	US ISM Manufacturing PMI (points)	Jul	58,1	59,8	60,2
	16 : 00	US Construction expenditure (mom, %)	Jun	-1,1	0,3	0,4
	20 : 00	US Interest rate decision (%)	Aug	1,75-2,0	1,75-2,0	1,75-2,0
	21 : 30	US Vehicle sales (annualized monthly, million)	Jul	16,8	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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