

Global Daily Report



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Summary

- America's stock indices moved mixed; trading sentiment in Europe was unresponsive
- President Trump plans to impose 25%, rather than 10%, import tariff on Chinese goods
- The Bank of England raised interest rates
- Gold price hit more than 12-month low.

US indices closed mixed on Thursday. Technology shares picked up, benefiting from cheering corporate reports. Yet the USA-China trade war, which seems to be escalating, left its mark on the sentiment. Seven of the S&P500's eleven sector indices closed in positive territory. Tech shares (1.4%) were top percentage earners; consumer staples grew by 1.2%. The losers came from commodity and energy sectors, these indices fell 0.8% and 0.5% respectively. Apple's shares soared 3.1%, hitting a new record, and making the tech giant the first company to surpass the 1,000-billion-dollar market capitalization. Tesla was among the winners too. The electric car manufacturer's stock price sky-rocketed 14.9%, owing to the impressive figures in its quarterly report. Its total revenue jumped to USD 4 billion, up from USD 2.77 billion a quarter earlier, but losses also increased (from USD 220 million to 520 million). CEO Elon Musk assured shareholders that the production of the Model 3 is on schedule, and the company may become profitable by the second quarter.

In Thursday's unresponsive trading in Europe, the DAX slipped 1.5% and the Stoxx600 dropped 0.8%. In addition to trade war tensions, the disappointing corporate reports weighed on European indices. Siemens contracted by 4.7% as its profit missed expectations. BMW reversed 0.3%, owing to the shrinking revenue.

Trade war tensions intensified again. Donald Trump abandoned his earlier proposal to impose 10% tariff on Chinese imports worth USD 200 billion. The new plan is to levy 25% tariff on goods imported from China, in a bid to increase the pressure on China.

A group of Democrat and Republican senators proposed a bill for new US sanctions against Russia. The objective is to punish Russia for meddling into US presidential election, as well as for its presence in Syria and Ukraine. The proposal would step up measures to counter cybercrime.

The Bank of England raised its benchmark rate from 0.5% to 0.75%. Its statement underlined the importance of the promising Q2 data, calling the Q1 slowing temporary.

The GBP firmed against the EUR immediately after the BoE's rate decision but a subsequent weakening lifted the EUR/GBP by 0.1%.

Gold price sank 0.7%, ending at its lowest in more than a year. One reason for the decline was the dollar's firming.

Today the USA will release wage and unemployment statistics as well as the ISM non-manufacturing PMI.

	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	2827,2	0,5	5,7	VIX	12,2	-7,3	10	WTI	69,0	1,8	14,1
	DOW	25326,2	0,0	2,5	US 2Y	2,67	-2	77	Brent	73,45	1,5	9,8
	Nasdaq100	7372,2	1,4	15,3	US 10Y	2,99	-2	58	Gold	1207,6	-0,7	-7,3
	DAX	12546,3	-1,5	-2,9	GER 2Y	-0,57	-2	6	Silver	15,30	-0,3	-9,7
	CAC40	5461,0	-0,7	2,8	GER 10Y	0,46	-3	4	EUR/USD	1,16	-0,7	-3,5
	FTSE 100	7575,9	-1,0	-1,5	PT10Y	1,81	-2	-12	EUR/GBP	0,89	0,2	0,2
	FTSE MIB	21414,7	-1,7	-2,0	IT 10Y	2,92	12	92	EUR/NOK	9,55	0,1	-3,1
	Stoxx600	386,6	-0,8	-0,7	SP 10	1,47	-1	-11	USD/CAD	1,30	0,1	3,5
	- Banks	142,0	-2,3	-13,9	iTRAXX	63,3	2,8	40	AUD/USD	0,74	-0,6	-5,7
	Nikkei 225	22521,5	0,0	-1,1	JPY 2Y	-0,11	-1	3	USD/JPY	111,65	-0,1	-0,9
	SSEC	2758,3	-0,4	-16,6	JPY 10Y	0,11	-1	6	GBP/USD	1,30	-0,8	-3,7
Regional	RTS	1141,0	-1,6	-1,2	RUS10	7,8	1,4	3	USD/RUB	63,328	0,5	9,8
	WIG20	2283,94	-1,4	-7,2	POL 10	3,2	0,2	-4	EUR/PLN	4,27	0,3	2,3
	PX50	1089,1	0,0	1,0	CZ10	2,2	0,0	45	EUR/RON	4,619	0,0	-1,3
Hungary	BUX	36035	-0,5	-8,5	3M DKJ	0,16	0	12	EUR/HUF	321,12	0,2	3,4
	OTP	10420	-0,7	-2,8	1Y	0,48	2	43	USD/HUF	277,00	0,8	7,0
	MOL	2704	-1,7	-10,0	3Y	1,60	2	105	CHF/HUF	278,28	0,5	5,0
	MTelekom	392	-1,6	-14,4	5Y	2,85	8	168	PLN/HUF	75,09	-0,2	1,1
	Richter	5090	2,4	-24,9	10Y	3,35	4	131	GBP/HUF	360,64	0,0	3,2

* 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	596,0	-	577*
	13 : 00	CZ Interest rate decision (%)	Aug	1,3	-	1,0
	13 : 00	UK Interest rate decision (%)	Aug	0,8	0,8	0,5
	16 : 00	US Factory orders (mom, %)	Jun	0,7	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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