

Summary

- There is only one day to the longest running bull market on record.
- The S&P500 hit an intraday high yesterday.
- Hungary's MNB left its base rate at 0.9%, as expected.

Nothing could discourage American investors from making purchases in yesterday's optimistic trading session. One factor that fuelled growth was investors' anticipation of an easing in the trade conflict between the USA and China. The S&P500 hit an intraday high and closed with gain – thus we are just one day away from seeing the longest running bull market on record, following the dotcom bubble of the 1990s, which burst after 3,452 days. This is the record the S&P500 reached yesterday. The yields of the 10-year US and German government bonds rose by three basis points each.

In Western Europe, Britain's FTSE100 was the only major index to slip into the red, largely dragged down by commodity-related companies' ailing. Meanwhile, Greece exited its final bailout programme on Monday but the Athens index fell more than 1% by the end of the day, dragged down by banking shares.

On Monday evening Donald Trump's interview with Reuters set the USD's exchange rate in motion. The US president expressed his dissatisfaction with the Fed's policy, adding that he would continue to criticize the Federal Reserve as long as it raises interest rates. The dollar extended Monday's losses against the euro on Tuesday; the EUR/USD closed at 1.16.

As expected, the MNB's Monetary Council left its base rate on hold and neither did it change its communication.

The key industrial and precious metal prices increased yesterday. Crude oil prices also crawled higher: the Brent climbed to USD 73 and the WTI exceeded USD 66.

Asia's leading indices also closed mixed this morning: Japan's Nikkei225 closed higher while China's Shanghai Composite stood in the red ahead of the close.

Today the USA will release the minutes of the latest Fed rate decision, as well as housing market statistics for July. It may be worth checking Russia's reaction to the latest US sanctions on selected Russian citizens and companies, announced by the US Department of Treasury yesterday. It may be important to see investors' reaction to the accusations against Donald Trump, after Michael Cohen, his former personal attorney, testified against the president.

	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	2863,0	0,2	7,1	VIX	12,9	3,0	16	WTI	66,1	0,9	9,3
	DOW	25822,3	0,2	4,5	US 2Y	2,61	2	72	Brent	72,63	0,6	8,6
	Nasdaq100	7397,2	0,4	15,6	US 10Y	2,84	2	43	Gold	1195,7	0,5	-8,2
	DAX	12384,5	0,4	-4,1	GER 2Y	-0,61	2	2	Silver	14,75	0,2	-13,0
	CAC40	5408,6	0,5	1,8	GER 10Y	0,33	3	-10	EUR/USD	1,16	0,8	-3,6
	FTSE 100	7565,7	-0,3	-1,6	PT10Y	1,81	-4	-12	EUR/GBP	0,90	-0,1	0,9
	FTSE MIB	20783,8	1,5	-4,9	IT 10Y	2,97	-8	97	EUR/NOK	9,72	0,3	-1,3
	Stoxx600	384,2	0,2	-1,3	SP 10	1,37	-5	-20	USD/CAD	1,30	-0,1	3,6
	- Banks	135,9	1,5	-17,7	iTRAXX	68,1	-3,8	51	AUD/USD	0,74	0,4	-5,5
	Nikkei 225	22347,5	0,6	-1,8	JPY 2Y	-0,12	0	2	USD/JPY	110,29	0,2	-2,1
SSEC	2710,3	-0,9	-18,0	JPY 10Y	0,10	0	5	GBP/USD	1,29	0,8	-4,5	
Regional	RTS	1072,1	0,6	-7,1	RUS10	8,6	-1,1	13	USD/RUB	67,188	0,3	16,5
	WIG20	2281,02	2,0	-7,3	POL 10	3,2	1,1	-4	EUR/PLN	4,29	-0,4	2,7
	PX50	1068,9	0,6	-0,9	CZ10	2,2	0,2	44	EUR/RON	4,640	-0,1	-0,8
Hungary	BUX	37008	1,6	-6,0	3M DKJ	0,20	3	16	EUR/HUF	323,31	-0,1	4,1
	OTP	10260	-0,7	-4,3	1Y	0,58	0	53	USD/HUF	279,37	-0,9	7,9
	MOL	2866	4,6	-4,6	3Y	1,72	-6	117	CHF/HUF	283,49	-0,4	7,0
	MTelekom	402	0,1	-12,3	5Y	2,95	-6	178	PLN/HUF	75,31	0,3	1,4
	Richter	5490	1,9	-19,0	10Y	3,44	-15	139	GBP/HUF	360,41	-0,3	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 8. 21.	14 : 00	HU Interest rate decision (%)	Aug	0,9	0,9	0,9
	22. 9 : 00	HU Gross wages (yoy, %)	Jun		-	10,9
	16 : 00	US Existing home sales (mom, %)	Jun		5 400	5 380
	20 : 00	US FOMC Minutes	Aug		-	-
	23. 2 : 30	JP Nikkei Manufacturing PMI (points)	Aug		-	52,3
	9 : 15	FR Markit Manufacturing PMI (points)	Aug		53,5	53,3
	9 : 15	FR Markit Service PMI (points)	Aug		55,1	54,9
	9 : 30	DE Markit Manufacturing PMI (points)	Aug		56,5	56,9
	9 : 30	DE Markit Service PMI (points)	Aug		54,3	54,1
	10 : 00	EZ Markit Manufacturing PMI (points)	Aug		55,0	55,1
	10 : 00	EZ Markit Service PMI (points)	Aug		54,4	54,2
	13 : 30	EZ ECB Minutes	Jul		-	-
	15 : 45	US Markit Manufacturing PMI (points)	Aug		55,2	55,3
	15 : 45	US Markit Service PMI (points)	Aug		56,0	56,0
	16 : 00	EZ Consumer confidence index (flash, points)	Aug		-0,6	-0,6
	16 : 00	US New home sales (annualized monthly, '000s)	Jul		650	631
		US Jackson Hole Economic Symposium	-		-	-
	24. 1 : 30	JP CPI (yoy, %)	Jul		-	0,7
	1 : 30	JP core-CPI (yoy, %)	Jul		0,9	0,8
	8 : 00	DE GDP (detailed, yoy, %)	Q2		2,0	2,0*
	14 : 30	US Durable goods orders (mom, %)	Jul		0,8	0,8

* preliminary data

Sources: Reuters, OTP Research

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