

# Global Daily Report



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### Summary

- Friday's trading ended rather mixed
- The euro subsided against the USD
- President Trump is likely to impose tariffs of Chinese goods worth USD 200 bn, and another round of USD 267 bn duties are on the cards
- Speaking of Germany's 2019 budget, Angela Merkel named debt reduction and boosting employment as top priorities

Friday's trading ended rather mixed on global stock markets. The US labour market data released on Friday afternoon surprised on the upside. Non-farm payrolls have meaningfully surpassed expectations, while the year/year growth of wages reached a nine-year high of 2.9%. Yet this is still a moderate increase in wages. On the whole, the reassuring labour market data increased the chances of future rate hikes.

In America, the S&P500 shed 0.2% and the Nasdaq100 slipped 0.3%. In Europe, the DAX and CAC40 edged higher, while Britain's FTSE100 fell 0.6%. Italy's Prime Minister said the governing party never considered Italy's leaving the eurozone. Amid the sour sentiment in Central and Eastern Europe, Warsaw's WIG20 slid 1.6%, while the BUX inched down 0.1%.

In this morning's Asian trading, Japan's Nikkei picked up while China's SSEC fell 0.8%.

The USD appreciated 0.6% versus the EUR and 0.3% against the yen in Friday's session. The Turkish lira strengthened 2.6% against the USD, and South Africa's rand picked up 0.6%.

The Brent nudged higher while the WTI dropped on Friday. Precious metal prices sank by 0.1-0.3%.

On Friday President Trump said that the planned USD 200 billion tariffs on Chinese imports to America may take effect soon, depending on whether China changes its 'behaviour'. He also announced possible new tariffs on additional USD 267 billion worth of goods. This brings the total value of imports he would impose to USD 517 billion. The head of America's National Economic Council said that China may thwart the implementation of the planned tariffs by stopping stealing intellectual property, abandoning technology transfer, and allow US companies to have their own companies in China, without local partners. China should also end all trade limitations, he added.

Speaking at the weekend, German Chancellor Angela Merkel said that the 2019 budget will be used to curb government debt, and make investment in employment as well as infrastructure. In addition to bringing down public debt, a top priority will be to further reduce the unemployment rate, which is currently running at 5.2%.

Turkey's Q2 economic output expanded by 5.2% year/year. What is more important is that the quarter/quarter growth of 0.9% signifies deceleration from the previous 1.5% increase. Later in the day, the eurozone will release investor sentiment index. Industrial output figures are due out in the UK.

	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	2871,7	-0,2	7,4	VIX	14,9	1,6	35	WTI	67,8	0,0	12,1
	DOW	25916,5	-0,3	4,8	US 2Y	2,71	7	82	Brent	76,83	0,4	14,9
	Nasdaq100	7430,3	-0,3	16,2	US 10Y	2,94	7	53	Gold	1195,4	-0,4	-8,2
	DAX	11959,6	0,0	-7,4	GER 2Y	-0,57	2	7	Silver	14,10	-0,1	-16,8
	CAC40	5252,2	0,2	-1,1	GER 10Y	0,39	4	-3	EUR/USD	1,16	-0,6	-3,7
	FTSE 100	7277,7	-0,6	-5,3	PT10Y	1,94	3	1	EUR/GBP	0,89	-0,5	0,7
	FTSE MIB	20447,7	-0,4	-6,4	IT 10Y	2,88	-3	88	EUR/NOK	9,76	-0,3	-0,9
	Stoxx600	373,8	0,1	-4,0	SP 10	1,50	3	-8	USD/CAD	1,32	0,1	4,6
	- Banks	132,9	-1,3	-19,5	iTRAXX	63,9	-2,3	42	AUD/USD	0,71	-1,3	-8,9
	Nikkei 225	22389,7	0,4	-1,6	JPY 2Y	-0,11	0	3	USD/JPY	111,05	0,3	-1,4
	SSEC	2679,5	-0,8	-19,0	JPY 10Y	0,12	0	7	GBP/USD	1,29	-0,1	-4,4
Regional	RTS	1050,5	-0,4	-9,0	RUS10	9,2	0,9	22	USD/RUB	69,874	1,0	21,2
	WIG20	2257,3	-1,6	-8,3	POL 10	3,3	0,0	0	EUR/PLN	4,31	-0,2	3,2
	PX50	1070,2	0,6	-0,7	CZ10	2,1	0,7	39	EUR/RON	4,628	-0,2	-1,1
Hungary	BUX	37190	-0,1	-5,6	3M DKJ	0,20	-1	16	EUR/HUF	324,76	-0,3	4,6
	OTP	10330	-0,2	-3,6	1Y	0,63	2	58	USD/HUF	281,07	0,3	8,6
	MOL	2960	-0,1	-1,5	3Y	1,70	-1	115	CHF/HUF	289,99	-0,1	9,4
	MTelekom	410	-1,0	-10,5	5Y	2,91	-11	174	PLN/HUF	75,39	0,1	1,5
	Richter	5260	0,3	-22,4	10Y	3,50	-4	145	GBP/HUF	363,55	0,4	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 9. 10.	9 : 00	TR GDP (yoy, %)	Q2	5,2	-	7,4
	9 : 00	TR GDP (qoq, %)	Q2	0,9	-	2,0
	10 : 30	EZ Sentix Investor confidence (points)	Jun		15,0	14,7
	10 : 30	UK Industrial production (mom, %)	Jul		0,2	0,4
11.	9 : 00	HU Inflation (yoy, %)	Aug		3,3	3,4
	9 : 00	HU Core inflation (yoy, %)	Aug		-	2,4
	11 : 00	DE ZEW Economic Sentiment (points)	Sept		-13,0	-13,7
12.	9 : 00	FR Jean-Claude Juncker's State of the Union Speech	-		-	-
	9 : 00	HU Industrial production (second estimate, yoy, %)	Jul		-	6,2*
	11 : 00	EZ Industrial production (mom, %)	Jul		0,1	-0,7
	20 : 00	US Fed Beige Book	-		-	-
13.	8 : 00	DE CPI (final, yoy, %)	Aug		2,0	2,0*
	13 : 00	UK Interest rate decision (%)	Sept		0,8	0,8
	13 : 45	EZ Interest rate decision (deposit rate, %)	Sept		-0,4	-0,4
	13 : 45	EZ Interest rate decision (lending rate, %)	Sept		0	0
	14 : 30	US CPI (yoy, %)	Aug		2,8	2,9
	14 : 30	US CPI (mom, %)	Aug		0,2	0,2
	14 : 30	US core-CPI (yoy, %)	Aug		2,4	2,4
	14 : 30	US core-CPI (mom, %)	Aug		0,2	0,2
	20 : 00	US Federal budget balance (USDbn)	Aug		-	-77
14.	4 : 00	CN Industrial production (yoy, %)	Aug		5,9	6,0
	4 : 00	CN Retail sales (yoy, %)	Aug		8,7	8,8
	4 : 00	CN Infrastructural spending (yoy, %)	Aug		5,5	5,5
	9 : 00	HU Construction output (yoy, %)	Jul		-	28,2
	14 : 30	US Retail sales (mom, %)	Aug		0,4	0,5
	15 : 15	US Industrial production (mom, %)	Aug		0,3	0,1
	16 : 00	US Michigan Consumer confidence (preliminary, points)	Sept		96,5	96,2
	16 : 00	US Business inventories (mom, %)	Jul		0,3	0,1

\* preliminary data

Sources: Reuters, OTP Research

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