

Global Daily Report



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Summary

- Global stock markets opened the week on a weak note.
- Brent jumped 3% higher, to its highest since November 2014.
- The Fed's two-day meeting begins today.

Most stock markets suffered losses on Monday as trade war tensions resurfaced. In Europe, even the better-than-expected, albeit slightly dropping IFO index could not improve the sentiment. The Stoxx600 and the DAX shed 0.6% each, while the FTSE closed 0.3% down. It was largely banks and commodity producers that fell in Monday's trading: Antofagasta dived 2.7%, Glencore sank 2.0%, and AngloAmerican dipped 1.4%. By contrast, oil producers benefited from soaring oil prices. European car manufacturers did not fare well as the euro strengthened after ECB President Mario Draghi's speech about rising inflationary expectations: Daimler reversed 2.7%, BMW slid 2.6%, and Volkswagen went back 1.2%. Europe's government bond yields rose yesterday: that on the 10Y German Bund upped five basis points, and UK bonds climbed six points higher. Reports that the US-based ComCast media and telecommunications company will buy up Sky Plc (+8.6%) made the former one of the winners of Monday's trading. Britain's gold miner, Randgold Resources surged 6.0% after announcing a merger with the Canadian-based Barrick Gold mining company.

In America, the S&P and the Dow both inched down in Monday's trading, when the US protective tariffs on a new round of Chinese goods took effect. The technology sector's gains helped the Nasdaq Composite and the Nasdaq100 inch higher; tech names also helped the S&P, hand in hand with the energy sector. A rise in petroleum prices benefited oil producers: the Brent grew by 3%, to exceed 81 USD/barrel, and the WTI advanced 2.5%, to its highest since the end of 2014. The most recent announcements of OPEC and its partners suggests that output will not increase before demand rises – but the latter is likely to happen when US sanctions on Iran's exports take effect in November. Bank of America Merrill Lynch expects oil prices to reach 95 USD/barrel by the first half-year of 2019, and some oil trading companies cannot rule out hitting 100 USD by the end of the year, citing the organization's scarce capacities to replace Iran's production. Among the S&P's sectors, real property, consumer discretionary and industry saw the sharpest falls.

The EUR/USD barely changed, the pound sterling slightly firmed. The Turkish lira appreciated 2.5% on Monday on news that the tension between the USA and Turkey may ease. The yield on Turkey's 10Y government bond fell 21 basis points on Monday.

Asia's stock markets closed mixed this morning: mainland China and Hong Kong ended in the red, while other indices nudged higher. Japan's Topix hit an eight-month high after Monday's holiday. The yen modestly dropped.

Today's important statistics include the Case-Shiller home price index and consumer confidence index from America. The Fed Open Market Committee will begin its two-day meeting, the pinnacle of which will be Wednesday's rate decision, and the summary of macroeconomic forecasts.

	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	2919,4	-0,4	9,2	VIX	12,2	4,5	11	WTI	72,1	1,8	19,3
	DOW	26562,1	-0,7	7,5	US 2Y	2,81	1	92	Brent	81,20	3,0	21,4
	Nasdaq100	7548,8	0,2	18,0	US 10Y	3,08	1	67	Gold	1198,5	-0,1	-8,0
	DAX	12350,8	-0,6	-4,4	GER 2Y	-0,53	3	11	Silver	14,22	-0,2	-16,1
	CAC40	5476,2	-0,3	3,1	GER 10Y	0,51	5	9	EUR/USD	1,17	0,0	-2,1
	FTSE 100	7458,4	-0,4	-3,0	PT10Y	1,90	1	-3	EUR/GBP	0,90	-0,3	0,8
	FTSE MIB	21339,9	-0,9	-2,3	IT 10Y	2,95	11	95	EUR/NOK	9,56	-0,1	-2,9
	Stoxx600	382,1	-0,6	-1,8	SP 10	1,54	2	-3	USD/CAD	1,30	0,3	3,0
	- Banks	141,2	-0,6	-14,4	iTRAXX	69,6	2,0	54	AUD/USD	0,73	-0,5	-7,0
	Nikkei 225	23926,5	0,2	5,1	JPY 2Y	-0,10	0	4	USD/JPY	112,79	0,2	0,1
	SSEC	2773,5	-0,9	-16,1	JPY 10Y	0,13	0	8	GBP/USD	1,31	0,3	-2,9
Regional	RTS	1163,0	1,2	0,7	RUS10	8,6	-0,9	13	USD/RUB	65,880	-0,8	14,3
	WIG20	2280,6	1,0	-7,3	POL 10	3,3	0,9	-1	EUR/PLN	4,29	-0,2	2,8
	PX50	1093,5	-0,7	1,4	CZ10	2,2	1,0	46	EUR/RON	4,654	0,0	-0,5
Hungary	BUX	35787	0,0	-9,1	3M DKJ	0,08	-1	4	EUR/HUF	323,36	-0,2	4,1
	OTP	9860	-1,0	-8,0	1Y	0,44	0	39	USD/HUF	275,32	-0,2	6,4
	MOL	2840	0,4	-5,5	3Y	1,84	1	129	CHF/HUF	285,20	-0,8	7,6
	MTelekom	403	0,4	-12,0	5Y	3,07	-3	190	PLN/HUF	75,24	0,0	1,3
	Richter	5100	1,0	-24,8	10Y	3,61	-3	156	GBP/HUF	360,94	0,1	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 9. 24. 10 : 00	DE	IFO Economic sentiment index (points)	Sept	103,7	103,2	103,9
25. 15 : 00	US	Case-Shiller Home Price Index (yoy, %)	Jul		6,2	6,3
	US	Consumer confidence (point)	Sept		132,0	133,4
26. 13 : 00	CZ	Interest rate decision (%)	Sept			1,25
	US	New home sales (annualized monthly, '000s)	Aug		630	627
	US	Interest rate decision (%)	Sept		2,0-2,25	1,75-2,0
	US	FOMC economic forecast	-		-	-
27. 9 : 00	HU	Unemployment rate (%)	Aug		-	3,6
	EZ	EC Economic Sentiment Index (points)	Sept		111,2	111,6
	DE	CPI (flash, yoy, %)	Sept		2,0	2,0
	US	Durable goods orders (mom, %)	Aug		2,0	-1,7
	US	Pending home sales (mom, %)	Aug		-0,1	-0,7
28. 9 : 00	HU	Industrial producer prices (yoy, %)	Aug		-	8,4
	EZ	CPI (flash, yoy, %)	Sept		2,1	2,0
	EZ	Core CPI (flash, yoy, %)	Sept		1,1	1,0
	US	Personal income (mom, %)	Aug		0,4	0,3
	US	Personal consumption (adjusted, mom, %)	Aug		0,3	0,4
	US	Chicago PMI (points)	Sept		63,8	64
30. 3 : 00	CN	NBS Manufacturing PMI (points)	Sept		51,2	51,3
	CN	NBS non-Manufacturing PMI (points)	Sept		-	54,2

Sources: Reuters, OTP Research

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