

# Global Daily Report



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### Summary

- Italy's plan to loosen its fiscal policy soured investor sentiment on Friday
- Oil and precious metal prices have increased
- The USD firmed versus the EUR
- Tesla's head Elon Musk reached agreement with the SEC over his misleading tweet

Friday's trading was rather unenthusiastic on global stock markets. Apparently, Italy's latest budget plans unnerved investors. The governing coalition's new deficit target, at 2.4% of GDP, is much higher than the previously planned 1.6%. Italy's public debt exceeds 130% of its economic output. The government expects the economy to grow by 1.6% in 2019 and by 1.7% in the following year. Following the announcement, the Milan stock exchange nose-dived 3.7%, and the 10Y government bond yield rose by 24 basis points.

In Europe, the DAX dropped 1.5%, the CAC40 slipped 0.9%, and the FTSE100 shed 0.5%. On the other side of the Atlantic, the S&P500 and the Nasdaq100 erased the day's gains and closed flat.

The CEE region's stock exchanges closed mixed: Warsaw's WIG20 fell 1.3%, while Budapest's BUX rallied almost 2%.

This morning the Nikkei advanced 0.5%.

In Friday's trading the US dollar appreciated 0.3% against the EUR and the JPY, and gained 0.4% from the pound. On emerging markets, the Turkish lira weakened 0.8% and the South African rand lost 0.2% against the greenback.

The Brent crude's price rose by 1.5%, and the WTI grew 1.8%. In precious metals, gold upped 0.6% and silver added 2.8%.

Tesla's head Elon Musk reached a deal with America's Securities and Exchange Commission (SEC). The regulator accused the businessman of making false and misleading statements in a Twitter post. Previously, Mr Musk tweeted that he might delist Tesla at a price of 420 USD/share. But the SEC does not think its funding had been really secured. Under the current settlement, Mr Musk and his company Tesla will pay USD 20 million fine each, two independent board members shall be appointed to preside over Tesla; Mr Musk shall step down as Tesla's chair for at least three years but he is allowed to remain its CEO.

The USA and Canada have struck a deal to renew the North American Free Trade Agreement (NAFTA). Under its terms, Canada will open its market to US dairy products and cap its car exports to the USA. However, steel and aluminium tariffs are yet to be clarified.

	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	2914,0	0,0	9,0	VIX	12,1	-2,3	10	WTI	73,2	1,5	21,1
	DOW	26458,3	0,1	7,0	US 2Y	2,82	-2	93	Brent	82,72	1,2	23,7
	Nasdaq100	7627,7	0,0	19,2	US 10Y	3,06	0	65	Gold	1191,7	0,8	-8,5
	DAX	12246,7	-1,5	-5,2	GER 2Y	-0,55	-3	9	Silver	14,60	2,8	-13,8
	CAC40	5493,5	-0,8	3,4	GER 10Y	0,47	-6	5	EUR/USD	1,16	-0,3	-3,2
	FTSE 100	7510,2	-0,5	-2,3	PT10Y	1,90	-1	-3	EUR/GBP	0,89	0,1	0,3
	FTSE MIB	20711,7	-3,7	-5,2	IT 10Y	3,14	24	115	EUR/NOK	9,45	-0,4	-4,0
	Stoxx600	383,2	-0,8	-1,5	SP 10	1,51	-2	-6	USD/CAD	1,29	-1,0	2,6
	- Banks	136,0	-3,3	-17,6	iTRAXX	68,3	1,7	51	AUD/USD	0,72	0,3	-7,3
	Nikkei 225	24245,8	0,5	6,5	JPY 2Y	-0,11	0	3	USD/JPY	113,68	0,3	0,9
	SSEC	2821,4	0,0	-14,7	JPY 10Y	0,13	1	8	GBP/USD	1,30	-0,4	-3,6
Regional	RTS	1192,0	0,4	3,3	RUS10	8,6	0,2	13	USD/RUB	65,575	0,0	13,7
	WIG20	2285,11	-1,3	-7,2	POL 10	3,2	-0,2	-2	EUR/PLN	4,28	0,2	2,5
	PX50	1101,9	0,0	2,2	CZ10	2,2	0,0	43	EUR/RON	4,646	-0,3	-0,7
Hungary	BUX	37171	1,9	-5,6	3M DKJ	0,19	-1	15	EUR/HUF	323,16	-0,1	4,1
	OTP	10320	4,7	-3,7	1Y	0,46	0	41	USD/HUF	278,49	0,2	7,6
	MOL	3000	0,3	-0,2	3Y	1,79	-2	124	CHF/HUF	285,06	0,3	7,6
	MTelekom	400	0,3	-12,7	5Y	3,04	-2	187	PLN/HUF	75,55	-0,2	1,7
	Richter	5210	0,4	-23,2	10Y	3,58	-3	154	GBP/HUF	363,10	-0,1	3,9

\* 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 10. 1.	2 : 30	JP Nikkei Manufacturing PMI (points)	Sept	52,5	-	52,9	
	8 : 00	DE Retail sales (mom, %)	Aug	-0,1	0,4	-0,4	
	11 : 00	EZ Unemployment rate (%)	Aug		8,2	8,2	
	16 : 00	US ISM Manufacturing PMI (points)	Sept		60,5	61,30	
	16 : 00	US Construction expenditure (mom, %)	Aug		0,4	0,1	
2.	9 : 00	HU Trade balance (detailed, monthly, EUR mn)	Jul		-	373*	
	9 : 00	HU Balance of general government sector (GDP %)	Q2		-	-1,1	
	16 : 00	US Fed Vice Chair Randal Quarles testifies (Senate Banking Committee)	-		-	-	
	18 : 00	US Fed Chairman Jerome Powell speech	-		-	-	
	21 : 30	US Vehicle sales (annualized monthly, million)	Sept		16,8	16,7	
3.	9 : 00	HU Retail sales (first estimate, yoy, %)	Aug		-	5,4	
	11 : 00	EZ Retail sales (mom, %)	Aug		0,2	-0,2	
	14 : 00	PL Interest rate decision (%)	Oct			1,5	
	14 : 00	RO Interest rate decision (%)	Oct		2,5	2,5	
	14 : 15	US ADP non-farm employment (mom, '000s)	Sept		185	163	
4.	16 : 00	US ISM non-Manufacturing PMI (points)	Sept		58,3	58,5	
	16 : 00	US Factory orders (mom, %)	Aug		0,9	-0,8	
	5.	8 : 00	DE Industrial orders (mom, %)	Aug		0,0	-0,9
		9 : 00	HU Industrial production (preliminary, yoy, %)	Aug		-	6,2
		10 : 00	HU International reserves (preliminary, EURbn)	Sept		-	24,3
14 : 30		US Unemployment rate (%)	Sept		3,8	3,9	
14 : 30		US Average earnings (yoy, %)	Sept		3,0	2,9	
14 : 30	US Average earnings (mom, %)	Sept		0,3	0,4		
	US Non-farm payroll (mom, '000s)	Sept		188	201		

\* preliminary data

Sources: Reuters, OTP Research

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