

Global Daily Report



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Summary

- Europe's and America's stock markets closed in the red on Thursday
- Government bond yields have risen.
- The EUR regained some lost ground from the US dollar.
- Germany's industrial data surprised on the upside

In Thursday's pessimistic US trading, the Dow shed 0.7%, the S&P500 fell 0.8%, and the Nasdaq100 lost 1.9%. Meanwhile the 10Y US Treasury bond yield jumped to 3.2%. Of the S&P's sectors, only the financial sub-index achieved gain. Technology was hit particularly hard: Facebook plunged 2.4%, Netflix nose-dived 3.6%, and Alphabet tumbled 2.8%. The index of market volatility, VIX bounced 22.5% higher, in the sharpest intraday growth over the past eight months.

Europe's key stock indices did not do any better: the Stoxx600 sank 1.1% and the DAX closed 0.4% down. Bond yields increased and so did Europe's banking shares: Société General upped 1%, Deutsche Bank climbed 1.5%, and Commerzbank surged 3.7%. As an exception, Danske Bank slid 4.6% on news that the US Department of Justice investigates a suspected money laundering case, pursuing the flow of USD 233 million from ex-Soviet member states to Europe, through the bank's Estonian branch.

NATO called on Russia to stop violating the treaty on European short and intermediate-range nuclear forces treaty (INF). The move came after Moscow admitted to the existence of a new missile system. NATO defence ministers confirmed that Georgia may soon join the alliance.

The US dollar weakened 0.3% against the euro yesterday.

Bitcoin grew 2.4%, drawing closer to Tuesday's levels.

Government bond yields increased universally yesterday. At one point on Thursday, the 10Y US Treasury yield hit 3.22%, its highest since March 2017. German 10Y Bund yield grew by 5.7 basis points. Oil prices subsided: Brent closed 2.0% down and WTI slipped 2.7%.

US factory orders expanded by 2.3% month/month in August, beating analysts' forecast of 2.1% increase, largely bolstered by orders for civilian aircraft and parts (+69.1%) and for defence aircraft parts (+17%). Orders for non-defence capital goods excluding aircraft have contracted by 0.9%. The statistics releases on German industry this morning was cheering. Industrial orders' volume grew by 2% from the previous month, whereas economists predicted 0.5% rise.

Today's important macroeconomic statistics include a string of US labour market data.

	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	2901,6	-0,8	8,5	VIX	14,2	22,5	29	WTI	74,3	-2,7	23,0
	DOW	26627,5	-0,7	7,7	US 2Y	2,88	2	99	Brent	84,58	-2,0	26,5
	Nasdaq100	7490,0	-1,9	17,1	US 10Y	3,20	3	78	Gold	1199,3	0,2	-7,9
	DAX	12244,1	-0,4	-5,2	GER 2Y	-0,54	2	10	Silver	14,56	-0,1	-14,1
	CAC40	5410,9	-1,5	1,9	GER 10Y	0,54	6	11	EUR/USD	1,15	0,3	-4,0
	FTSE 100	7418,3	-1,2	-3,5	PT10Y	1,91	1	-2	EUR/GBP	0,88	-0,3	-0,5
	FTSE MIB	20612,9	-0,6	-5,7	IT 10Y	3,33	2	133	EUR/NOK	9,50	0,6	-3,6
	Stoxx600	379,7	-1,1	-2,4	SP 10	1,57	3	0	USD/CAD	1,29	0,4	2,8
	- Banks	133,7	0,2	-19,0	iTRAXX	68,1	1,0	51	AUD/USD	0,71	-0,4	-9,3
	Nikkei 225	23835,3	-0,6	4,7	JPY 2Y	-0,12	-1	2	USD/JPY	113,90	-0,6	1,1
	SSEC	2821,4	0,0	-14,7	JPY 10Y	0,15	-1	10	GBP/USD	1,30	0,6	-3,7
Regional	RTS	1160,8	-2,9	0,5	RUS10	8,7	2,2	15	USD/RUB	66,979	1,7	16,2
	WIG20	2275,65	-1,0	-7,5	POL 10	3,3	0,9	-1	EUR/PLN	4,31	0,2	3,2
	PX50	1110,5	0,3	3,0	CZ10	2,1	1,5	38	EUR/RON	4,669	0,1	-0,2
Hungary	BUX	37147	-0,2	-5,7	3M DKJ	0,02	0	-2	EUR/HUF	324,12	0,4	4,4
	OTP	10180	-0,6	-5,0	1Y	0,40	-1	35	USD/HUF	281,46	0,1	8,7
	MOL	3020	1,2	0,5	3Y	1,72	-1	117	CHF/HUF	283,82	0,1	7,1
	MTelekom	398	-0,3	-13,1	5Y	3,15	7	198	PLN/HUF	75,16	0,2	1,2
	Richter	5310	-1,8	-21,7	10Y	3,67	6	163	GBP/HUF	366,26	0,6	4,8

* 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	8,1	8,2	8,2
		16 : 00	US	ISM Manufacturing PMI (points)	Sept	59,8	60,5	61,30
		16 : 00	US	Construction expenditure (mom, %)	Aug	0,1	0,4	0,1
	2.	9 : 00	HU	Trade balance (detailed, monthly, EUR mn)	Jul	362,0	-	373*
		9 : 00	HU	Balance of general government sector (GDP %)	Q2	0,2	-	-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	17,4	16,9	16,7
	3.	9 : 00	HU	Retail sales (first estimate, yoy, %)	Aug	6,3	-	5,4
		11 : 00	EZ	Retail sales (mom, %)	Aug	-0,2	0,2	-0,2
		14 : 00	PL	Interest rate decision (%)	Oct	1,5	1,5	1,5
		14 : 00	RO	Interest rate decision (%)	Oct	2,5	2,5	2,5
		14 : 15	US	ADP non-farm employment (mom, '000s)	Sept	230,0	185	163
		16 : 00	US	ISM non-Manufacturing PMI (points)	Sept	61,6	58,3	58,5
	4.	16 : 00	US	Factory orders (mom, %)	Aug	2,3	2,1	-0,5
	5.	8 : 00	DE	Industrial orders (mom, %)	Aug	2,0	0,5	-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
		14 : 30	US	Non-farm payroll (mom, '000s)	Sept		188	201

* preliminary data

Sources: Reuters, OTP Research

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