

Treasury Sales Team

Head of Sales

Ottó Demjén

+36 1 288 7558

Otto.Demjen@otpbank.hu

Retail

Zsigmond Csillag

+36 1 288 7556

zsigmond.csillag@otpbank.hu

Attila Keresztyén

+36 1 288 7552

KeresztyenA@otpbank.hu

István Milán Nagy

+36 1 288 7554

milan.nagy@otpbank.hu

Frigyes Soós

+36 1 288 7571

SoosF@otpbank.hu

Institutional

Lóránt Fábán

+36 1 288 7572

Lorant.Fabian@otpbank.hu

Szilvia Lovas

+36 1 288 7545

LovasSz@otpbank.hu

János Mladoniczki

+36 1 288 7551

MladoniczkiJ@otpbank.hu

Corporate

Nóra Ilona Gordos

+36 1 288 7549

Nora.Ilona.Gordos@otpbank.hu

János Imrei

+36 1 288 7555

janos.imrei@otpbank.hu

Csinszka Kis-Böndi

+36 1 288 7544

Kis-bondics@otpbank.hu

Roxána Kosztelnik

+36 1 288 7541

roxana.kosztelnik@otpbank.hu

Edit Kovács Gyimóti

+36 1 288 7542

KovacsGyE@otpbank.hu



Daily Report

Summary

- Trade war concerns did not ease yesterday.
- Europe closed in the red while US stock indices climbed higher.
- Crude oil prices picked up.
- Jean-Claude Juncker is to make a state of the Union speech today.

A new chapter in the trade war caused headache to investors yesterday as China requested the WTO to approve retaliatory measures, claiming that the USA violates some of the previously signed antidumping regulations. These reports hit European auto and mining companies particularly hard, as they have a lot to lose on this conflict. The key US indices soon recovered, driven by the soaring technology sector and energy-related businesses.

The latter group benefited from crude prices' more-than-2% surge, as the USA implemented new sanctions against Iran's oil exports. In addition, a category 4 hurricane is approaching American coasts, which may significantly cut back oil production.

Diving 2.2%, the BUX underperformed even the ailing CEE region. All Hungarian blue chips ended in the red, but MOL and OTP were the weakest ones. Magyar Takarékszövetkezeti Bank Zrt has obtained a stake in BIF. Prior to the announcement, the Budapest Stock Exchange suspended trading with BIF shares and resumed it at 4 p.m.

All of Tuesday morning's forint firming was wiped out in the afternoon, thus the HUF ended the day nearly flat against the key currencies. Reversing the morning's rise, the EUR/USD fell, to close at 1.16.

In Tuesday's auction of 3M zero-coupon treasury bills, the ÁKK put up for sale more debt (HUF 50 billion) than it usually does. The government debt management agency raised the allotted amount by the maximum degree permitted, selling HUF 75 billion, at an average yield of 0.1%. On the secondary market, yields on the longest maturities rose sharply, by five to six basis points. Elsewhere in the world, the US 10Y yield was up five basis points, at 2.98%, and that of German bonds increased by three basis points, to 0.43%.

Slightly exceeding analysts' consensus, inflation in Hungary rose by 3.4% year over year in August, the KSH statistics office announced. The biggest surprise came from a whopping increase in seasonal food prices, particularly those of potato and vegetables. It was fuel prices that posted the steepest growth since the same period of last year.

In this morning's trading Asia indices moved south. The yen opened on a strong note versus the US dollar.

Today the European Commission's President Jean-Claude Juncker will deliver his fourth, and last, State of the Union speech. On the other side of the Atlantic, the Fed's most recent Beige Book is due out. In the corporate world, Apple-related news is worth checking: the tech giant will present three new iPhone models today.

	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	2887,9	0,4	8,0	VIX	13,2	-6,6	20	WTI	69,8	3,4	15,6
	DOW	25971,1	0,4	5,1	US 2Y	2,75	4	86	Brent	79,06	2,2	18,2
	Nasdaq100	7507,9	0,8	17,4	US 10Y	2,98	4	57	Gold	1197,6	0,2	-8,1
	DAX	11970,3	-0,1	-7,3	GER 2Y	-0,54	1	9	Silver	14,09	-0,5	-16,9
	CAC40	5283,8	0,3	-0,5	GER 10Y	0,43	3	1	EUR/USD	1,16	0,1	-3,3
	FTSE 100	7273,5	-0,1	-5,4	PT10Y	1,92	-4	-1	EUR/GBP	0,89	0,1	0,2
	FTSE MIB	20853,8	-0,3	-4,6	IT 10Y	2,77	3	78	EUR/NOK	9,66	-0,7	-2,0
	Stoxx600	375,3	-0,1	-3,6	SP 10	1,48	0	-9	USD/CAD	1,31	-0,7	3,9
	- Banks	133,5	-0,6	-19,1	iTRAXX	61,1	-0,4	35	AUD/USD	0,71	0,1	-8,7
	Nikkei 225	22610,0	-0,2	-0,7	JPY 2Y	-0,11	0	3	USD/JPY	111,62	0,5	-0,9
	SSEC	2663,0	-0,1	-19,5	JPY 10Y	0,11	0	6	GBP/USD	1,30	0,1	-3,5
Regional	RTS	1055,9	1,2	-8,5	RUS10	9,0	-2,7	18	USD/RUB	69,378	-1,6	20,3
	WIG20	2248,35	-1,0	-8,6	POL 10	3,3	0,3	-1	EUR/PLN	4,30	-0,2	3,0
	PX50	1081,4	-0,1	0,3	CZ10	2,2	0,7	42	EUR/RON	4,629	0,1	-1,0
Hungary	BUX	36372	-2,2	-7,6	3M DKJ	0,20	0	16	EUR/HUF	324,44	-0,1	4,5
	OTP	10040	-3,0	-6,3	1Y	0,59	-4	54	USD/HUF	279,55	-0,2	8,0
	MOL	2864	-2,6	-4,7	3Y	1,73	2	118	CHF/HUF	287,39	0,1	8,5
	MTelekom	408	-0,6	-10,9	5Y	2,99	4	182	PLN/HUF	75,34	0,1	1,4
	Richter	5240	-1,0	-22,7	10Y	3,60	9	156	GBP/HUF	364,06	-0,2	4,2

* 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 9. 10.	9 : 00	TR GDP (yoy, %)	Q2	5,2	-	7,4
	9 : 00	TR GDP (qoq, %)	Q2	0,9	-	2,0
	10 : 30	UK Industrial production (mom, %)	Jul	0,1	0,2	0,4
11.	9 : 00	HU Inflation (yoy, %)	Aug	3,4	3,3	3,4
	9 : 00	HU Core inflation (yoy, %)	Aug	2,2	-	2,4
	11 : 00	DE ZEW Economic Sentiment (points)	Sept	-10,6	-14,0	-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	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
	20 : 00	US Federal budget balance (USDbn)	Aug		-	-77,0
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

Chief Economist
Gergely Tardos
tardosg@otpbank.hu
+36 1 374 7273

Analyst
Beáta Váradi
varadibe@otpbank.hu
+36 1 374 7271

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