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Daily Report

Summary

- Thursday's trading was optimistic on both sides of the Atlantic
- Oil prices slipped on Thursday
- The US dollar firmed yesterday
- The UK released surprisingly strong retails sales statistics

In Thursday's optimistic US trading session, the Dow advanced 1.0% and the Nasdaq100 soared 1.1%, both hitting new records. In individual names, one of the winners of the day, Micron Technology surged 2.2% in the regular trading session. The microchip maker's quarterly earnings report, released after market close, gave account of with rising profits. Accordingly, its share price added 4% in after-hours trading.

Europe's stock markets also closed higher on Thursday, on the fifth day in a row, and in the longest winning streak since July. The Stoxx600 upped 0.7% and the DAX grew by 0.9%. The financial sector headed the growth: Nordea Bank rallied 1.4%, Svenska Handelsbanken shot up 3.1%, Banco Santander gained 1.7%, and BNP Paribas jumped 2.6% higher. The automotive industry also fared well: Daimler advanced 1.6%, and Volkswagen climbed 1.0% higher.

Despite the supportive background, the BUX sank 0.7% on Thursday as MOL fell 1.4%, Richter lost 1.0%, OTP sank 0.1%, and Magyar Telekom stagnated.

On Thursday the USA urged Ankara to release an American scientist arrested in Turkey. Serkan Golge, who works for NASA, was detained in summer 2016, following the attempted coup. US-Turkish relations have become particularly tense when Washington demanded the release of another US citizen, pastor Andrew Brunson.

Oil prices dropped yesterday. The WTI declined 0.5% following Donald Trump's Twitter post, urging OPEC countries to reduce oil prices. Representatives of oil producing countries meet in Alger on 23 September. Reportedly, Saudi Arabia increasingly appears to be willing to agree to raising oil prices closer to 80 USD/barrel.

The US dollar appreciated 0.9% against the euro and 1% versus the GBP. The HUF's weakening drove the EUR/HUF above 324 at one point on Thursday but it ended the day near 323.5. Yields on Hungary's 3M zero-coupon treasury bills fell surprisingly sharply, by 17 basis points, sinking into negative territory. The reasons are yet to be seen: this fall is exceptional even if we take into account the MNB's communication, which projected looser monetary conditions, and the lower amount offered in next week's auction of government securities. Technical reasons, relating to the data release, cannot be excluded.

The UK retail sales statistics, published on Thursday, have beaten expectations: retail sales volume expanded by 0.3% in month over month comparison, surpassing analysts' forecast of 0.2% decline. In contrast, the eurozone consumer sentiment indicator for September was short of expectations: the -2.9 reading wrong-footed analysts who had projected -2.0. The US leading index was up 0.4% month/month in August, which is 0.1% less than the market had expected, and is 0.2% short of the previous month's growth rate.

The September gauge of the Markit purchasing managers index is due out in a number of countries 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	2930,8	0,8	9,6	VIX	11,8	0,4	7	WTI	70,3	-1,1	16,4
	DOW	26657,0	1,0	7,8	US 2Y	2,81	0	92	Brent	78,70	-0,9	17,7
	Nasdaq100	7569,0	1,1	18,3	US 10Y	3,08	-1	67	Gold	1206,8	0,3	-7,3
	DAX	12326,5	0,9	-4,6	GER 2Y	-0,55	-1	9	Silver	14,27	0,5	-15,8
	CAC40	5451,6	1,1	2,6	GER 10Y	0,48	-1	6	EUR/USD	1,18	0,9	-1,8
	FTSE 100	7367,3	0,5	-4,2	PT10Y	1,90	-1	-3	EUR/GBP	0,89	-0,1	-0,1
	FTSE MIB	21388,4	0,5	-2,1	IT 10Y	2,90	3	90	EUR/NOK	9,59	0,8	-2,6
	Stoxx600	382,6	0,7	-1,7	SP 10	1,53	-1	-4	USD/CAD	1,29	-0,1	2,6
	- Banks	141,5	2,1	-14,2	iTRAXX	68,0	0,0	51	AUD/USD	0,73	0,4	-6,6
	Nikkei 225	23920,5	1,0	5,1	JPY 2Y	-0,10	0	3	USD/JPY	112,48	0,2	-0,2
	SSEC	2772,9	1,6	-16,2	JPY 10Y	0,13	1	8	GBP/USD	1,33	0,9	-1,8
Regional	RTS	1140,7	0,6	-1,2	RUS10	8,8	0,5	16	USD/RUB	66,326	-0,5	15,0
	WIG20	2258,63	0,0	-8,2	POL 10	3,2	0,7	-2	EUR/PLN	4,29	0,1	2,7
	PX50	1103,6	0,5	2,4	CZ10	2,2	0,6	44	EUR/RON	4,652	0,1	-0,5
Hungary	BUX	36134	-0,7	-8,2	3M DKJ	0,03	-20	-1	EUR/HUF	323,42	0,2	4,2
	OTP	9980	-0,1	-6,9	1Y	0,52	-9	47	USD/HUF	274,46	-0,8	6,0
	MOL	2890	-1,4	-3,8	3Y	1,84	2	129	CHF/HUF	286,24	0,1	8,0
	MTelekom	408	0,0	-10,9	5Y	3,14	0	197	PLN/HUF	75,34	0,1	1,4
	Richter	5100	-1,0	-24,8	10Y	3,68	5	164	GBP/HUF	364,17	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. 17. 11 : 00	EZ	CPI (final, yoy, %)	Aug	2,0	2,0	2,0*
14 : 30	US	New York Fed Manufacturing index (points)	Sept	19,0	23,6	25,6
18. 14 : 00	HU	Interest rate decision (%)	Sept	0,9	0,9	0,9
19. 5 : 00	JP	Interest rate decision (%)	Sept	-0,1	-0,1	-0,1
10 : 30	UK	Inflation (yoy, %)	Aug	2,7	2,4	2,5
10 : 30	UK	Core inflation (yoy, %)	Aug	2,1	1,8	1,9
14 : 30	US	Housing starts (annualized monthly, '000s)	Aug	1 282,0	1 235	1 168
14 : 30	US	Building permits (annualized monthly, '000s)	Aug	1 229,0	1 310	1 303
20. 8 : 30	HU	Balance of payments (quarterly, EURm)	Q2	772,0	-	840,0
9 : 00	HU	Gross wages (yoy, %)	Jul	12,8	-	11,2
10 : 30	UK	Retail sales (mom, %)	Aug	0,3	-0,2	0,7
16 : 00	EZ	Consumer confidence index (flash, points)	Sept	-2,9	-2,0	-1,9
16 : 00	US	Leading index (mom, %)	Aug	0,4	0,5	0,6
16 : 00	US	Existing home sales (mom, %)	Aug	5340,0	5 350	5 340
21. 1 : 30	JP	CPI (yoy, %)	Aug	1,3	-	0,9
1 : 30	JP	core-CPI (yoy, %)	Aug	0,9	0,9	0,8
2 : 30	JP	Nikkei Manufacturing PMI (points)	Sept	52,9	-	52,5
9 : 15	FR	Markit Manufacturing PMI (points)	Sept		53,3	54
9 : 15	FR	Markit Service PMI (points)	Sept		55,2	55,4
9 : 30	DE	Markit Manufacturing PMI (points)	Sept		55,7	55,9
9 : 30	DE	Markit Service PMI (points)	Sept		55,0	55,0
10 : 00	EZ	Markit Manufacturing PMI (points)	Sept		54,4	54,6
10 : 00	EZ	Markit Service PMI (points)	Sept		54,4	54,4
15 : 45	US	Markit Manufacturing PMI (points)	Sept		55,0	54,7
15 : 45	US	Markit Service PMI (points)	Sept		55,0	54,8

* preliminary data

Sources: Reuters, OTP Research

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This document was prepared on 21 September 2018.

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