

OTP Morning Brief

- Europe's key indices rose again; the BUX did well
- US stock markets closed mixed
- Oil prices fell sharply
- Hungary's MNB left its 1W deposit rate at 10.75%
- The Czech central bank held its base rate at 7%
- CEE currencies made subtle moves yesterday
- MOL has published its Q2 earnings report
- European industrial production statistics and US labour market figures are data to watch today

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Europe's key indices rose again; Hungary's BUX fared well

Europe's major indices extended their gains on Thursday; the Stoxx 600 (+0.2%), the FTSE MIB (0.3%), the DAX (0.6%) and the CAC40 (0.6%) all rose. Their growth was supported by reassuring earnings reports, as well as investors' assumption that interest rates will peak at a lower level due to the possible economic slowdown. Retail trade (+4.8%), technology (+2.2%) and consumer goods (1.8%) stocks did well in Germany, unlike financial service providers (-1.5%) and healthcare (-0.4%). In individual names, Credit Agricole's (+4.7%) quarterly results exceeded expectations. The Lufthansa Group took off 6.4% after forecasting strengthening demand in Europe, and the management projected that the airline company could turn profitable this year. The UK's FTSE 100 did not budge after the Bank of England raised its base rate by 50 basis points, from 1.25% to 1.75%. According to the BoE's new forecast, the UK economy is heading into recession this year as households' real income will fall. Interest rates are now expected to peak lower, and Britain's long-term yields also fell. The 0.4% month-on-month decline in Germany's factory orders in June points to weak demand for goods made in Germany.

In the CEEC region, Budapest's BUX (0.9%) and Prague's PX (0.6%) rose, while Warsaw's WIG (-0.8%) index closed lower. Of Hungary's blue chips, MOL (2.2%) and OTP (1.5%) gained, while Richter (-0.6%) and MTelekom (-1.3%) lost. The Czech National Bank, whose Monetary Council met for the first time under governor Ales Michl, left its base interest rate at 7%. The new governor had previously regularly voted against interest rate hikes, and several like-minded central bankers were added to the Council. Still, the EUR/CZK did not budge.

US stock markets closed mixed; oil prices fell sharply

America's stock exchanges closed mixed on Thursday after gains in growth stocks were offset by energy companies' losses. Otherwise, there were no significant moves, as many investors waited to see today's labour market figures. The Nasdaq Composite rose by 0.4%, but the Dow Jones Industrial Average shed almost 0.3%, and the S&P500 inched down. The weekly initial jobless claims (260,000) edged higher, in line with market expectations (259,000). The continuing jobless claims (1,416,000) also increased compared to the previous week, and beat analysts' expectations (1,370,000). Although labour market indicators have worsened in recent weeks, the US labour market is still tight.

Recession fears have weighed on crude oil prices: Brent slumped 2.7%, and WTI slid nearly 3%.

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Hungary's MNB left its 1W deposit rate at 10.75%; developed markets' long-term yields fell again; CEE currencies barely moved

In Europe, gas price remained extremely high, trading near EUR 200. Nevertheless, the euro regained 0.8% lost ground from the dollar, the pair traded at 1.0245. The downward trend in developed markets' long-term yields continued: the US and German 10Y yield levels fell 6-7 bps, the former below 2.7%, the latter to 0.8%. The forint weakened minimally yesterday; the EUR/HUF ended the day below 395. The zloty also wobbled, but the koruna stayed put. The MNB left its one-week deposit rate at 10.75%. Hungary's long-term yields rose: that on the 5Y climbed 3 basis points higher, and the 10Y bond yield upped 9 basis points.

Today's highlights

Asia's markets moved mixed this morning. In the worst performance, China's Hang Seng (-0.2%) dropped. On the other hand, Japan's Nikkei 225 (0.8%) and South Korea's Kospi (0.8%) were on the rise. Index futures bode well for this morning's trading in Europe.

MOL's Q2 EBITDA hit a record high of HUF 484 billion; it has almost doubled compared to the previous year.

Germany, France, and Italy publish industrial production data for June. Hungary's KSH also releases preliminary industrial production statistics, and the MNB publishes international reserves figures. The USA's non-farm payrolls, average earnings, and unemployment rate are also worth checking. The earnings reports season may hold surprises, which can also move markets.

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	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	4152	-0.1	-12.9	VIX	21.4	-2.3	25	WTI	88.0	-2.9	46.0
	DOW	32714	-0.3	-15.3	US 2Y	3.04	-7.1	231	Brent	94.12	-2.7	21.0
	Nasdaq Comp.	12721	0.4	-29.5	US 10Y	2.68	-7.2	118	TTF Natural Gas	198.8	0.0	198.9
	DAX	13663	0.6	-14.0	GER 2Y	0.33	-5.9	97	Arany	1791.08	1.5	-2.0
	CAC40	6513	0.6	-8.9	GER 10Y	0.81	-6.5	99	EUR/USD	1.0245	0.8	-9.9
	FTSE 100	7448	0.0	0.9	PT10Y	1.84	-8.4	134	EUR/GBP	0.8422	0.6	0.2
	FTSE MIB	22646	0.3	-17.2	IT 10Y	2.95	-7.7	176	EUR/NOK	9.9761	1.0	-0.4
	Stoxx600	439.1	0.2	-10.0	SP 10	1.91	-7.8	132	USD/CAD	1.2866	0.2	1.8
	- Banks	99	0.7	-19.8	iTRAXX	101.8	1.0	114	AUD/USD	0.6970	0.4	-4.0
	Nikkei 225	28168	0.8	-3.0	JPY 2Y	-0.10	-0.6	-1	USD/JPY	132.87	-0.8	15.4
SSEC	3198	0.3	-12.1	JPY 10Y	0.17	-1.0	10	GBP/USD	1.2160	0.1	-10.1	
Regional	RTS	1105	-0.1	-30.8	RUS10	9.0	0.0	7	EUR/CZK	4.927	0.0	-0.4
	WIG20	1674	-0.8	-26.1	POL 10	5.6	-2.8	52	EUR/PLN	4.71	0.3	2.7
	PX50	1232	0.5	-13.6	CZ10	3.9	-1.2	33	EUR/RON	4.927	0.0	-0.4
Hungary	BUX	43333	0.9	-14.6	3M DKJ	8.52	3.0	636	EUR/HUF	395.02	0.2	6.9
	OTP	8636	1.5	-48.0	1Y	9.87	12.0	630	USD/HUF	385.50	-0.6	18.7
	MOL	3000	2.2	19.0	3Y	10.12	-1.0	593	CHF/HUF	403.64	0.1	13.3
	MTelekom	308	-1.3	-25.2	5Y	9.22	3.0	487	PLN/HUF	83.59	-0.4	3.8
Richter	8300	-0.6	-4.9	10Y	8.02	9.0	351	GBP/HUF	468.96	-0.5	6.6	

* In the case of bond yields, the change is in basis points instead of percentage (VIX and iTRAXX not included).

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Date	Cd.	Event/Data	Period	Fact	Cons.	Prev.	
2022 8. 1.	3 : 45	CN	Caixin Manufacturing PMI (points)	Jul	50.4	51.5	51.7
	8 : 00	DE	Retail sales (MoM, %)	Jun	-1.6	0.2	1.2
	9 : 00	HU	Manufacturing PMI (points)	Jul	57.8		57.0
	9 : 00	HU	Trade balance (detailed, monthly, EUR mn)	May	-95		-523
	9 : 45	IT	S&P Global Manufacturing PMI (points)	Jul	48.5	49.1	50.9
	10 : 00	IT	Unemployment rate (%)	Jun	8.1	8.1	8.2
	11 : 00	EZ	Unemployment rate (%)	Jun	6.6	6.6	6.6
	16 : 00	US	Construction spending (MoM, %)	Jun	-1.1	0.2	0.1
	16 : 00	US	ISM Manufacturing PMI (points)	Jul	52.8	52.0	53.0
	3.	3 : 45	CN	Caixin Services PMI	Jul	55.5	
8 : 00		DE	Export (MoM, SA, %)	Jun	4.50	1.0	1.3
9 : 00		HU	Retail sales (YoY, SA, %)	Jun	4.5		10.9
9 : 45		IT	S&P Global Service PMI (points)	Jul	48.40	50.1	51.6
10 : 00		IT	Retail sales (MoM, SA, %)	Jun	-1.1		2.0
10 : 00		HU	Aggregated real house price index (Nat. Bank of Hungary)	Q1	207.80	-	204.7
11 : 00		EZ	Retail sales (MoM, %)	Jun	-1.2	0.0	0.4
16 : 00		US	Factory orders (MoM, %)	Jun	2.00	1.1	1.8
16 : 00		US	ISM non-Manufacturing PMI (points)	Jul	56.7	53.5	55.3
4.		8 : 00	DE	Industrial orders (MoM, %)	Jun	-0.40	-0.8
	13 : 00	UK	Interest rate decision (%)	Aug	1.8	1.8	1.3
	14 : 30	US	Initial jobless claims ('000s)	weekly	260.00	259	254
	14 : 30	US	Continuing jobless claims ('000s)	weekly	1416.0	1370.0	1368
	14 : 30	CZ	Interest rate decision (%)	Aug	7.00	7.00	7.0
	15 : 00	HU	1W deposit w fixed interest rate tender (IR %, HUFbn)	weekly	10,75/9330,		10,75/8580,8
	5.	8 : 00	DE	Industrial production (MoM, %)	Jun		-0.4
8 : 45		FR	Industrial production (MoM, %)	Jun		-0.3	0.0
9 : 00		HU	Industrial production (preliminary, YoY, %)	Jun			9.4
9 : 00		HU	Guest nights in tourist acc. (YoY, %)	Jun			146
10 : 00		IT	Industrial production (MoM, SA, %)	Jun		-0.3	-1.1
10 : 00		HU	International reserves (preliminary, EURbn)	Jul			37.5
14 : 30		US	Non-farm payroll (MoM, '000s)	Jul		250	372
14 : 30		US	Unemployment rate (%)	Jul		3.6	3.6
14 : 30		US	Average earnings (MoM, %)	Jul		0.3	0.3
7.	14 : 30	US	Average earnings (YoY, %)	Jul		5.0	5.1
	5 : 00	CN	Export (YoY, %)	Jul			17.9

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Gergely Tardos

Chief Economist

tardosg@otpbank.hu

György Molnár

Gyorgy.Molnar.1@otpbank.hu

Global Markets Team

Csillag Zsigmond

Head of Department

+36-1-288-7556

Zsigmond.Csillag@otpbank.hu

Frigyes Soós

+36-1-288-7571

SoosF@otpbank.hu

Pál András Saághy

+36-1-288-7553

Pal.Andras.Saaghy@otpbank.hu

Botond Varga

+36-1-288-7552

Botond.Varga@otpbank.hu

Tamás Szabó

+36-1-288-7512

Tamas.Szabo.1@otpbank.hu

Csaba Szemán

+36 1 288 7554

Csaba.Szeman@otpbank.hu

Ottó Izbéki

+36 1 288 7521

otto.izbeki@otpbank.hu

Sándor Andrási

+36 1 288 7559

Sandor.Andrasi@otpbank.hu

Bálint Torda

+36-1-288-7562

Balint.Torda@otpbank.hu

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Institutional Sales Desk

Attila Preisz

Head of Department

+36-1-288-7526

Attila.Preisz@otpbank.hu

Zoltán Ballai

+36-1-288-7545

Zoltan.Ballai@otpbank.hu

Kitti Palásthy

+36 1 288 7574

Kitti.Palasthy@otpbank.hu

Péter Nagy

+36 1 288 7551

Peter.Nagy.4@otpbank.hu

Judit Kornis

+36 1 288 7548

Judit.Kornis@otpbank.hu

Markets Corporate Sales Desk

János Imrei

Head of Department

+36 1 288 7544

Janos.Imrei@otpbank.hu

Borbála André

+36 1 288 7541

Borbala.Sarolta.Andre@otpbank.hu

Edit Kovács Gyimóti

+36 1 288 7542

KovacsGyE@otpbank.hu

Nóra Ilona Gordos

+36 1 288 7559

Nora.Ilona.Gordos@otpbank.hu

István Fodor

+36 1 288 7555

Istvan.Fodor.1@otpbank.hu

Andorka Rudolf Flórián

OTP Trader

+36 1 288 7558

Rudolf.Florian.Andorka.1@otpbank.hu

Péter Huck

OTP Trader

+36 1 288 7543

Peter.Huck.2@otpbank.hu

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