

Danske Daily

Market Movers Today

- Following the failed attempt to topple the Turkish government on Friday, Turkish financial markets seem destined for a volatile trading session when bourses reopen today.
- At 10:15 CET, **Martin Weale**, who is a member of the Bank of England's Monetary Policy Committee, will speak on the implications of Brexit for monetary policy. The speech, which will be followed by a Q&A, could attract attention after last Thursday's BoE decision to keep the Bank Rate steady at 0.50%. Although the BoE hinted strongly at upcoming stimulus in August it seems in no hurry, despite BoE Governor Mark Carney highlighting back in May the likelihood of a UK recession in the case of a Brexit (please see [Bank of England Review: Unexpectedly on hold but preannounced easing in August](#), 14 July 2016, for details). With that in mind, today's speech by Weale could provide further insights on what to expect from the BoE in August and whether unconventional tools might also be deployed.
- Today's calendar is very light in terms of data releases. In the US, the **NAHB housing market index** for July is due to be released at 16:00 CET. Later in the week, the ECB's rate decision and subsequent press conference (Thursday), EU flash PMIs (Friday) and UK flash PMIs (Friday) will be the highlights.

Holiday edition

Selected readings from Danske Bank

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Selected Market News

Turkey moves to reassure investors after failed coup. The coup attempt, which began late on Friday with rebel soldiers taking to the streets of Istanbul and Ankara, caused the lira to plunge 5% versus the US dollar in its biggest fall since 2008. Yesterday, the government moved to calm investors, with the central bank pledging to offer unlimited liquidity to banks and deputy prime minister Mehmet Simsek saying that the government was in control and that there is 'no need to worry'. Meanwhile, according to government sources, some 6,000 suspects have been detained, and the failed coup could allow President Erdogan to tighten his grip on the country. Still, given its significant current account deficit of some USD2.9bn, the Turkish economy is highly dependent on foreign capital inflows, leaving it exposed to events that bring into question the political stability in the country. In that respect, the failed coup comes at a delicate time, with two general elections and a number of terrorist attacks taking place within the past year. Nonetheless, this morning the TRY had pared about half of Friday's losses versus the greenback with USD/TRY trading around 2.9570 at the time of writing.

US equity indices close flat on Friday. The key indices ended the day little changed on Friday, thus posting three weeks of consecutive gains. During the day, risky assets were supported by US retail sales, which picked up more than expected in June to 0.6% m/m (0.1% expected), although the May outcome was revised lower to 0.2% from 0.5% m/m.

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Key figures and events

Monday, July 18, 2016

				Period	Danske Bank	Consensus	Previous
0:45	NZD	CPI	q/q y/y	2nd quarter			0.2% 0.4%
1:01	GBP	Rightmove House Prices	m/m y/y	Jul			0.8% 5.5%
3:30	CNY	Property prices	y/y				
10:15	GBP	BoE's Weale speaks on Brexit impact on monetary policy					
16:00	USD	NAHB Housing Market Index	Index	Jul			60.0
22:00	USD	TICS international capital flow, Net inflow	USD bn	May			80.4

Source: Bloomberg, Danske Bank Markets

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