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Global Daily Report

Summary

- There was mixed trading sentiment on global stock markets on Wednesday
- The USD has appreciated
- China's exports and imports statistics surprised on the upside
- S&P has downgraded Qatar
- An unexpected surge in US oil inventories led crude prices 4-4.5% lower

In Europe, the DAX and the CAC40 shed 0.1% each, while the FTSE100 closed 0.6% down. In the USA, the S&P500 rose by 0.2%, and the NASDAQ100 climbed 0.4% higher.

In Wednesday's trading the USD gained 0.1% versus the EUR and 0.4% against the JPY, but lost 0.4% vs. the GBP.

The Brent's price fell 4.1% and the WTI plunged almost 4.5% on the back of the latest US oil inventory data, which reflected a whopping 3.3 million barrel/day growth in oil reserves on the week ending 26 May. This is in stark contrast with the data published by American Petroleum, of 4.6 mn barrel decrease. According to the EIA, the USA's output may exceed 10 million barrels/day, the highest on record in America's history. The projection foresees lower-than-expected oil prices until 2018.

S&P downgraded Qatar's credit rating from AA+ to AA-, after a number of countries in the Middle East imposed a diplomatic and trade blockade on the country. The credit rating agency argued that these developments may exacerbate the country's external vulnerabilities. Further downgrades may follow if the external financing possibilities narrow, the growth prospects deteriorate more than expected, or if the embargo escalates.

The statistics Asia published this morning have beaten expectations. In May the jump in China's exports, but particularly imports, was much stronger than had been thought.

Today's key event will be the ECB's rate decision, including Mario Draghi's stance on underlying inflation, on phasing out the bond purchase programme, and about the timing of normalizing monetary conditions.

	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	2433,1	0,2	8,7	VIX	10,4	-0,6	-26	WTI	46,01	-4,5	-14,4
	DOW	21173,7	0,2	7,1	US 2Y	1,31	1,6	12	Brent	48,06	-4,1	-15,4
	Nasdaq100	5877,6	0,4	20,8	US 10Y	2,18	3,3	-25	Gold	1286,4	-0,5	11,7
	DAX	12672,5	-0,1	10,4	GER 2Y	-0,72	1,2	8	Silver	17,55	-0,7	10,1
	CAC40	5265,5	-0,1	8,3	GER 10Y	0,26	0,2	5	EUR/USD	1,1255	-0,2	7,1
	FTSE 100	7478,6	-0,6	4,7	PT10Y	3,07	-1,1	-69	EUR/GBP	0,8685	-0,5	2,0
	FTSE MIB	20739,9	-0,1	7,8	IT 10Y	2,27	2,8	45	EUR/NOK	9,5618	0,3	5,2
	Stoxx600	389,2	-0,1	7,7	SP 10	1,57	2,6	17	USD/CAD	1,3508	0,4	0,6
	- Banks	152,1	0,7	13,4	iTRAXX	62,1	0,0	-14	AUD/USD	0,7546	0,5	4,6
	Nikkei 225	19909,3	-0,4	4,2	JPY 2Y	-0,10	1,4	8	USD/JPY	109,79	0,4	-6,1
SSEC	3130,4	-0,3	0,9	JPY 10Y	0,07	2,3	2	GBP/USD	1,2959	0,4	5,1	
Regional	RTS	1034,3	-0,7	-10,2	RUS10	7,60	-0,5	-9	USD/RUB	57,035	0,9	-7
	WIG20	2308,64	0,2	18,5	POL 10	3,19	-0,6	-12	EUR/PLN	4,2064	0,4	-4,5
	PX50	1005,6	0,0	9,1	CZ10	0,79	0,0	69	EUR/RON	4,5680	0,1	0,7
Hungary	BUX	35022	0,3	9,4	3M TB	0,15	0	-1	EUR/HUF	308,14	0,1	-0,2
	OTP	8730	1,0	3,9	1Y	0,22	2	3	USD/HUF	273,89	0,3	-6,7
	MOL	22130	-0,2	7,2	3Y	0,84	0	-2	CHF/HUF	283,59	0,0	-1,5
	MTelekom	470	0,2	-5,6	5Y	1,94	2	17	PLN/HUF	73,220	-0,3	4,5
	Richter	7021	-0,6	13,1	10Y	3,08	0	-12	GBP/HUF	354,53	0,6	-2

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

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2017 6. 5.	16 : 00	US ISM non-Manufacturing PMI (points)	May	56,9	57,1	57,5
	16 : 00	US Factory orders (mom, %)	Apr.	-0,2	-0,2	0,5
6.	9 : 00	HU Retail sales (first estimate, yoy, %)	Apr.	3,5	-	3,3
	10 : 30	EZ Sentix Investor confidence (points)	June	28,4	27,5	27,4
	11 : 00	EZ Retail sales (mom, %)	Apr.	0,1	0,2	0,3
7.	8 : 00	DE Industrial orders (mom, %)	Apr.	-2,1	-0,4	1
	9 : 00	HU Industrial production (preliminary, yoy, %)	Apr.	-3	4,7	13,4
	9 : 00	HU GDP (detailed, qoq, %)	Q1	1,3	-	1,3*
	9 : 00	HU GDP (detailed, yoy, %)	Q1	4,2	-	4,1*
	11 : 00	HU Fiscal balance (monthly, billion HUF)	May	-91,9	-	76,6
	11 : 00	EZ GDP (third estimate, yoy, %)	Q1	1,7	1,7	1,7*
	11 : 00	EZ GDP (3rd estimate, qoq, %)	Q1	0,5	0,5	0,5*
	14 : 00	PL Interest rate decision (%)	June	1,5	1,5	1,5
8.	1 : 50	JP GDP (revision, qoq, %)	Q1	0,3	0,6	0,5*
	4 : 00	CN Import (yoy, %)	May	8,7	8,5	11,9
	4 : 00	CN Export (yoy, %)	May	14,8	7,0	8
	8 : 00	DE Industrial production (mom, %)	Apr.	0,8	0,5	-0,4
	9 : 00	HU Trade balance (preliminary, monthly, EURmn)	Apr.	878,0	-	956*
	9 : 00	HU Inflation (yoy, %)	May	2,1	2	2,2
	9 : 00	HU Core inflation (yoy, %)	May	2,1	-	1,9
	13 : 45	EZ Interest rate decision (deposit rate, %)	June		-0,4	-0,4
	13 : 45	EZ Interest rate decision (lending rate, %)	June		0	0
		UK Parliamentary elections (House of Commons)				
9.	3 : 30	CN CPI (yoy, %)	May		1,5	1,2*
	8 : 00	DE Export (mom, %)	Apr.		0,3	0,4
	10 : 30	UK Industrial production (mom, %)	May		0,8	-0,5
11.		FR Parliamentary elections (1st round)				

*preliminary data

Source: Reuters, OTP Research

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