

Summary

- The developed world's stock markets closed in the red; the tension between the USA and Iran is growing.
- The Fed will not bend to political pressure to cut rates, Jerome Powell has emphasized.

The re-intensifying tension between Iran and the USA cast a shadow on Tuesday's trading, following Monday's US sanctions on Iran's top supreme leader and other top officials. In Western Europe, the DAX and the CAC survived the day with symbolic losses, but the mounting tension on the other side of the Atlantic caused sharper falls on Wall Street. One report to discourage investors was that Donald Trump, who is to meet Xi Jinping at the G20 summit, is not planning to change the tariffs imposed and a detailed agreement to resolve their trade war seems unlikely.

In the corporate world, AbbVie is planning to buy its ex-supplier and Allergan for USD 63 bn. The report sent AbbVie's share price diving 16.4%, while that of Allergan skyrocketed 25.4%.

Speaking in New York on Tuesday, Jerome Powell pointed out the rise in downside risks to growth. The Fed's decisions will continue to support keeping inflation near the target and bolster economic growth, he said – suggesting that an interest rate cut is in the cards, but he categorically ruled out bending to political pressure and lowering fed funds rate.

The EUR/USD slipped 0.2% as US dollar has firmed against the euro. The 10Y US yield dropped 2 bps, and that of Germany's Bund shed one basis point.

Hungary's MNB left its benchmark rate on hold.

Brent and WTI grew by more than 1%, owing to the tension between Iran and the USA.

Asia's stock markets closed mixed today, when only Hong Kong's Hang Seng could eke out gains. This morning the USD/JPY headed higher, reversing yesterday's drop.

Today's important publications include the May reading of US durable goods orders and the EIA oil inventories data. Donald Trump's Tuesday Twitter post may leave its mark on today's trading, as the President threatened Iran with overwhelming attacks, following Tehran's criticism of the US sanctions imposed on Monday.

	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	2917,4	-0,9	16,4	VIX	16,3	6,7	-36	WTI	58,8	1,6	29,5
	DOW	26548,2	-0,7	13,8	US 2Y	1,73	-0,2	-76	Brent	65,05	0,3	20,9
	Nasdaq100	7591,5	-1,7	19,9	US 10Y	1,99	-2,7	-70	Gold	1422,9	0,3	10,9
	DAX	12228,4	-0,4	15,8	GER 2Y	-0,73	0,0	-14	Silver	15,37	-0,4	-0,7
	CAC40	5514,6	-0,1	16,6	GER 10Y	-0,33	-2,3	-58	EUR/USD	1,1365	-0,3	-0,9
	FTSE 100	7422,4	0,1	10,3	PT10Y	0,50	-6,5	-122	EUR/GBP	0,8954	0,1	-0,3
	FTSE MIB	21128,4	-0,7	15,3	IT 10Y	2,16	-0,3	-62	EUR/NOK	9,6994	0,3	-2,1
	Stoxx600	383,4	-0,1	13,5	SP 10	0,38	-3,1	-104	USD/CAD	1,3167	-0,1	-3,4
	- Banks	111,1	-0,5	-1,7	iTRAXX	54,8	1,1	-38	AUD/USD	0,6957	-0,1	-1,3
	Nikkei 225	21107,7	-0,4	5,5	JPY 2Y	-0,21	1,2	-8	USD/JPY	107,17	-0,1	-2,2
	SSEC	2971,5	-0,4	19,2	JPY 10Y	-0,14	1,0	-15	GBP/USD	1,2697	-0,3	-0,5
Regional	RTS	1380,9	-0,4	29,5	RUS10	7,4	0,1	-15	USD/RUB	62,869	0,5	-9,8
	WIG20	2303,31	-1,2	1,2	POL 10	2,3	-1,8	-19	EUR/PLN	4,26	0,1	-0,8
	PX50	1040,1	-1,5	5,4	CZ10	1,5	1,6	-20	EUR/RON	4,716	-0,1	1,4
Hungary	BUX	40062	-1,0	2,4	3M DKJ	0,29	15,0	22	EUR/HUF	323,13	-0,1	0,7
	OTP	11500	-1,8	1,9	1Y	0,32	1,0	-13	USD/HUF	284,30	0,2	1,6
	MOL	3072	-1,0	-0,2	3Y	0,96	-1,0	-30	CHF/HUF	291,63	-0,2	2,2
	MTelekom	417	0,7	-5,2	5Y	1,61	-1,0	-92	PLN/HUF	75,92	-0,2	1,8
	Richter	5145	-1,2	-5,2	10Y	2,69	-1,0	-35	GBP/HUF	360,86	-0,2	1,3

* 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.	
2019	6. 24.	10 : 00	DE	IFO Economic sentiment index (points)	Jun	97,4	97,3	97,9
	25.	14 : 00	HU	Interest rate decision (%)	Jun	0,9	0,9	0,9
		15 : 00	US	Case-Shiller Home Price Index (yoy, %)	Apr	2,5	2,6	2,7
		16 : 00	US	New home sales (annualized monthly, '000s)	May	626	680	673
		16 : 00	US	Consumer confidence (point)	Jun	122	131	134
		19 : 00	US	Jerome Powell speech	-	-	-	-
	26.	13 : 00	CZ	Interest rate decision (%)	Jun		2,0	2,0
		14 : 30	US	Durable goods orders (mom, %)	May		-0,1	-2,1
	27.	9 : 00	HU	Unemployment rate (%)	May		-	3,5
		11 : 00	EZ	EC Economic Sentiment Index (points)	Jun		104,6	105,1
		14 : 00	DE	CPI (preliminary, yoy, %)	Jun		1,4	1,4
		14 : 30	US	Continuing jobless claims ('000s)	weekly		1665	1662
		14 : 30	US	Initial jobless claims ('000s)	weekly		220	216
		14 : 30	US	GDP (detailed, qoq annualized, %)	Q1		3,1	3,1*
		16 : 00	US	Pending home sales (mom, %)	May		1,0	-1,5
	28.	9 : 00	HU	Gross wages (yoy, %)	Apr		-	10,2
		9 : 00	HU	Industrial producer prices (yoy, %)	May		-	4,1
		11 : 00	EZ	CPI (flash, yoy, %)	Jun		1,2	1,2
		11 : 00	EZ	Core CPI (flash, yoy, %)	Jun		1,0	0,8
		14 : 30	US	Personal income (mom, %)	May		0,3	0,5
		14 : 30	US	Personal consumption (adjusted, mom, %)	May		0,4	0,3
		15 : 45	US	Chicago PMI (points)	Jun		53,1	54,2
			JP	G20 meeting (two days)	-		-	-
	30.	3 : 00	CN	NBS Non-manufacturing PMI (points)	Jun			54,3
		3 : 00	CN	NBS Manufacturing PMI (points)	Jun		49,5	49,4

*preliminary data

Sources: Reuters, OTP Research

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