

# Global Daily Report



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### Summary

- US stock market indices posted mixed results, investor sentiment was positive in Europe
- Jerome Powell, the Chairman of the Fed affirmed previous policy statement, that further interest rate hikes will be necessary due to tight labour market conditions.
- The meeting of OPEC members has begun, the oil price increased.
- US existing home sales fell short of analysts' expectations.

US stocks posted mixed results. The Nasdaq100 increased 0.7%, boosted by gains of tech-companies. The S&P500 climbed 0.2%, however the Dow lost 0.2%, closing in the negative for the seventh consecutive session. Among the biggest winners of the day were Alphabet (+1.7%) and Microsoft (+1.2%), on the other hand General Electric lost 0.4% after it was announced on Tuesday the company will be removed from the components of the Dow. European stocks rebounded from 3-day low: Stoxx600 gained 0.2%, DAX added 0.1%. The BUX, following the trend, also finished in the positive territory: the Hungarian index grew by 1.2%. Among Hungarian blue chips OTP led the rally, gaining 2.6%

The conference of the leaders of central banks has begun in the city of Sintra, Portugal. The most important message of the day was a comment by Jerome Powell. The Chairman of the Fed reaffirmed, that it is necessary to gradually increase the base rate due to tight monetary conditions. After these comments, US government bond yields started to increase: the 10-year yield climbed 3.5 basis points.

In the House of Commons of the British Parliament MPs voted against a bill which would have granted tighter control to the legislative body over formulating the final version on the Brexit-deal. This is a major victory for Prime Minister Theresa May, after the House of Lords voted in favour of the bill on Monday. The failure to pass the bill practically increased the Prime Minister's room to manoeuvre in her negotiations with the European Union.

The oil price edged upwards as the meeting of the oil ministers of OPEC member states begun in Vienna. Major negotiations are scheduled for Friday and Saturday. The price of WTI crude oil increased to 65.7 dollars, which is 0.9% higher than on the previous day. After Tuesday's gains, the Hungarian forint once again lost ground against the euro. By the end of yesterday, the exchange rate was around 324 which is practically the same level as it was before the meeting of the Monetary Council. The HUF continued to depreciate this morning.

Weak data was published about the US real estate market. Existing home sales declined for the second month in May. Annualized data showed 5430 thousand transactions which is 90 thousand less the expectations of analysts.

The Hungarian current account balance for Q1 and the gross wages for April as well as the inflation report are published today. Furthermore the Bank of England holds meeting to decide on the base interest rate, and important economic sentiment data will be published about the Eurozone and the US.

	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	2767,3	0,2	3,5	VIX	12,8	-4,2	16	WTI	65,7	0,9	8,8
	DOW	24657,8	-0,2	-0,2	US 2Y	2,56	1,7	67	Brent	74,74	-0,5	11,8
	Nasdaq100	7280,7	0,7	13,8	US 10Y	2,93	3,5	52	Gold	1267,7	-0,5	-2,7
	DAX	12695,2	0,1	-1,7	GER 2Y	-0,67	-1,4	-4	Silver	16,26	-0,1	-4,0
	CAC40	5372,3	-0,3	1,1	GER 10Y	0,37	0,1	-5	EUR/USD	1,16	-0,2	-3,6
	FTSE 100	7627,4	0,3	-0,8	PT10Y	1,79	0,6	-14	EUR/GBP	0,88	-0,1	-1,1
	FTSE MIB	22120,6	0,2	1,2	IT 10Y	2,56	0,1	56	EUR/NOK	9,47	-0,2	-3,9
	Stoxx600	384,3	0,3	-1,3	SP 10	1,26	1,2	-31	USD/CAD	1,33	0,2	5,8
	- Banks	142,0	0,7	-14,0	iTRAXX	67,6	-1,5	50	AUD/USD	0,74	-0,2	-5,6
	Nikkei 225	22717,6	0,7	-0,2	JPY 2Y	-0,13	0	0	USD/JPY	110,35	0,3	-2,1
	SSEC	2900,6	-0,5	-12,3	JPY 10Y	0,03	0	-2	GBP/USD	1,32	-0,1	-2,5
Regional	RTS	1119,2	2,0	-3,1	RUS10	7,7	-1,5	2	USD/RUB	63,576	-0,4	10,3
	WIG20	2154,18	1,6	-12,5	POL 10	3,2	-0,8	-4	EUR/PLN	4,32	0,1	3,4
	PX50	1070,0	0,2	-0,8	CZ10	2,2	1,1	44	EUR/RON	4,670	0,0	-0,2
Hungary	BUX	35384	1,2	-10,1	3M DKJ	0,25	0	21	EUR/HUF	323,87	0,5	4,3
	OTP	9850	2,6	-8,1	1Y	0,43	1	38	USD/HUF	279,64	0,6	8,0
	MOL	2606	0,5	-13,3	3Y	1,65	2	110	CHF/HUF	280,57	0,4	5,9
	MTelekom	414	0,7	-9,6	5Y	2,16	-1	99	PLN/HUF	74,97	0,4	0,9
	Richter	5215	0,2	-23,1	10Y	3,50	-1	145	GBP/HUF	368,24	0,5	5,4

\* 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 6. 19.	14 : 00	HU Interest rate decision (%)	June	0,9	0,9	0,9
	14 : 30	US Housing starts (annualized monthly, '000s)	May	1350	1310	1287
	14 : 30	US Building permits (annualized monthly, '000s)	May	1301	1350	1364
20.	14 : 30	PT ECB conference	-	-	-	-
	16 : 00	US Existing home sales (mom, %)	May	5430,0	5520	5460
21.	8 : 30	HU Balance of payments (quarterly, EURbn)	Q1	-	-	0,2
	9 : 00	HU Gross wages (yoy, %)	Apr.	-	-	11,3
	10 : 00	HU Inflation report	June	-	-	-
	13 : 00	UK Interest rate decision (%)	June	-	0,5	0,5
	16 : 00	US Leading index (mom, %)	May	-	0,4	0,4
	16 : 00	EZ Consumer confidence index (flash, points)	June	-	-0,3	0,2
22.	1 : 30	JP CPI (yoy, %)	May	-	-	0,6
	1 : 30	JP core-CPI (yoy, %)	May	-	0,7	0,7
	2 : 30	JP Nikkei Manufacturing PMI (points)	June	-	-	52,5
	9 : 00	FR Markit Service PMI (points)	June	-	54,0	54,3
	9 : 00	FR Markit Manufacturing PMI (points)	June	-	53,5	54,4
	9 : 30	DE Markit Service PMI (points)	June	-	52,5	52,1
	9 : 30	DE Markit Manufacturing PMI (points)	June	-	56,5	56,9
	10 : 00	EZ Markit Service PMI (points)	June	-	53,7	53,9
	10 : 00	EZ Markit Manufacturing PMI (points)	June	-	55,1	55,5
	15 : 45	US Markit Manufacturing PMI (points)	June	-	-	56,6
	15 : 45	US Markit Service PMI (points)	June	-	-	55,7
		AT OPEC Meeting	-	-	-	-

\* preliminary data

Sources: Reuters, OTP Research

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