



### Summary

- Volatility was very low on Friday.
- The USD appreciated against the major currencies
- According to the WEF by 2050 the pension systems of the developed world could become unsustainable
- The recapitalization for two Italian banks was halted for now
- Mario Draghi speaks today before the European parliament

Volatility was very low on Friday. Among the leading European stock indices the DAX declined by 0.15%, the CAC40 did not change much, while the FTSE100 increased by 0.4%. The BUX did not change much, but the MOL declined by 0.6% and the OTP by 2.4%, while the Richter increased by 1.1% and the MTelekom did not change much. Morning trading in the Asian markets was also very quiet.

After the USD depreciated against the EUR for almost two weeks, it appreciated back a bit against the major currencies (0.3% against the EUR and 0.5% against the JPY). The HUF depreciated 0.1% against the EUR, but still remained below the MNB comfort zone (310). The price of oil and precious metals all increased by 0.5-1%.

According to the World Economic Forum the pension systems of the developed countries could become unsustainable for 2050. At that time the total aggregate pension liability will increase to USD 400.000 billion (which is equivalent with a USD 28 bn. daily increase in pension liabilities until 2050). According to the WEF there is an urgent need to significantly increase the retirement age in the developed world.

The recapitalization of two Italian bank was halted for now. The European Commission permitted the EUR 6.4 bn. recapitalization package for these two financial institution, but they have to increase their equity by they own by an additional EUR 1 bn. They tried to raise this amount from the Atalante bank recapitalization fund (financed by the Italian financial and insurance companies), but the Fund refused the deal for now.

Today at 15.00 mario Draghi, Governor of the ECB will speak before the European Parliament.

	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	2415,8	0,0	7,9	VIX	9,8	-1,8	-30	WTI	49,80	1,8	-7,3
	DOW	21080,3	0,0	6,7	US 2Y	1,30	0,4	10	Brent	52,15	1,3	-8,2
	Nasdaq100	5788,4	0,2	19,0	US 10Y	2,25	-0,5	-18	Gold	1266,7	0,9	10,0
	DAX	12602,2	-0,2	9,8	GER 2Y	-0,69	-1,2	11	Silver	17,35	1,3	8,9
	CAC40	5336,6	0,0	9,8	GER 10Y	0,33	-2,9	13	EUR/USD	1,1182	-0,2	6,4
	FTSE 100	7547,6	0,4	5,7	PT10Y	3,15	-4,7	-61	EUR/GBP	0,8727	0,8	2,5
	FTSE MIB	21210,6	-0,4	10,3	IT 10Y	2,10	-1,8	27	EUR/NOK	9,3668	-0,5	3,1
	Stoxx600	391,4	-0,2	8,3	SP 10	1,53	-4,2	14	USD/CAD	1,3444	-0,3	0,1
	- Banks	153,9	-0,9	14,7	iTRAXX	61,5	0,0	-15	AUD/USD	0,7446	-0,1	3,2
	Nikkei 225	19682,6	0,0	3,0	JPY 2Y	-0,16	0,2	1	USD/JPY	111,31	-0,5	-4,8
SSEC	3130,4	0,7	0,9	JPY 10Y	0,04	0,5	-1	GBP/USD	1,2802	-1,1	3,8	
Regional	RTS	1073,0	-1,0	-6,9	RUS10	7,62	0,7	-9	USD/RUB	56,512	-0,6	-8
	WIG20	2326,28	-1,4	19,4	POL 10	3,30	-1,2	-9	EUR/PLN	4,1822	0,2	-5,0
	PX50	1016,2	0,6	10,3	CZ10	0,76	-10,5	63	EUR/RON	4,5590	0,2	0,5
Hungary	BUX	34359	0,0	7,4	3M TB	0,15	0	-1	EUR/HUF	307,53	0,2	-0,4
	OTP	8518	-2,4	1,4	1Y	0,22	2	4	USD/HUF	274,94	0,4	-6,3
	MOL	22090	-0,6	7,1	3Y	0,83	1	-3	CHF/HUF	282,05	0,2	-2,0
	MTelekom	462	0,0	-7,2	5Y	1,87	0	10	PLN/HUF	73,410	-0,2	4,8
	Richter	6991	1,1	12,6	10Y	3,06	6	-15	GBP/HUF	351,52	-0,8	-3

\* 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 5. 29.	15 : 00	EZ Eurogroup meeting	May		-	-
	30. 9 : 00	HU Investment (yoy, %)	Q1			-24
	11 : 00	EZ Infrastructural investments (yoy, %)	May		110,1	109,6
	14 : 00	DE CPI (preliminary, yoy, %)	May		1,7	2
	14 : 30	US Personal income (mom, %)	Apr.		0,4	0,2
	14 : 30	US Personal consumption (adjusted, mom, %)	Apr.		0,4	0
	15 : 00	US Case-Shiller Home Price Index (yoy, %)	March		-	5,9
	16 : 00	US Consumer confidence (point)	May		119,5	120,3
31.	3 : 00	CN NBS Manufacturing PMI (points)	May		51	51,2
	3 : 00	CN NBS non-Manufacturing PMI (points)	May		-	54
	8 : 00	DE Retail sales (mom, %)	Apr.		0,2	0,1
	9 : 00	HU Industrial producer prices (yoy, %)	Apr.		-	4,2
	11 : 00	EZ CPI (preliminary, yoy, %)	May		1,5	1,9
	11 : 00	EZ Core CPI (flash, yoy, %)	May		1	1,2
	11 : 00	EZ Unemployment rate (%)	Apr.		9,4	9,5
	15 : 45	US Chicago PMI (points)	May		57	58,3
	16 : 00	US Pending home sales (mom, %)	Apr.		-	-0,8
	20 : 00	US Beige Book	May		-	-
6. 1.	2 : 30	JP Nikkei Manufacturing PMI (points)	May		-	52
	9 : 00	HU Manufacturing PMI (points)	May		-	55,9
		HU Trade balance (detailed, monthly, EURmn)	March		-	956*
	14 : 15	US ADP non-farm employment (mom, '000s)	May		-	177
	16 : 00	US Construction expenditure (mom, %)	Apr.		0,7	-0,2
	16 : 00	US ISM Manufacturing PMI (points)	May		54,6	54,8
	21 : 30	US Vehicle sales (annualized monthly, million)	May		16,97	16,88
2.	14 : 30	US Unemployment rate (%)	May		4,5	4,4
	14 : 30	US Average earnings (yoy, %)	May		2,5	2,5
	14 : 30	US Average earning (mom, %)	May		0,2	0,3
	14 : 30	US Non-farm payroll (mom, '000s)	May		183	211

Source: Reuters, OTP Research

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