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## Daily Report

### Summary

- The advanced markets of the world moved mixed on Friday
- Crude oil price slipped, the dollar firmed against the EUR
- The TRY's nose-dive halted
- Italy will not form government now, early elections are in the cards

Stock markets closed mixed on both sides of the Atlantic on Friday. Energy companies were under selling pressure as Saudi Arabia's energy minister and Russian President Vladimir Putin both suggested that OPEC and Russia may boost their oil outputs in the second half of the year. Crude price fell almost three dollars per barrel.

In the corporate world, Fiat Chrysler recalled five million cars. Under extreme circumstances, a software glitch could potentially prevent drivers from turning off its cruise control and stop the car.

Colombia has become an OECD member. Elsewhere, Turkey's President Recep Erdogan asked his supporters to convert their FX savings into Turkish lira (TRY). The currency's weakening ended on Friday, and the USD/TRY traded near the highs seen prior to the 300-basis-point interest rate hike. In the USA, a state of emergency was declared in three states because of the coming subtropical storms.

The US dollar's strengthening sent the EUR/USD to 1.165. The euro's depreciation is likely to continue as on Sunday premiere-designate Giuseppe Conte resigned from forming Italy's next government. Reportedly, the President refused to approve the nomination of Paolo Savona for finance minister because of the latter's Eurosceptic views and because he did not pledge to abstain from the idea of leaving the eurozone while in office. The winners of the March election, the Five Stars movement and the League, are planning to have the President resign. But currently the most likely outcome is snap election at summer. Support for the League, an ally of Silvio Berlusconi's Forza Italia, has jumped in recent weeks.

Headed by OTP, which closed at HUF 10,000, the BUX sank in the red on Friday. Defying the lower oil prices, Mol's share price advanced.

The EUR/HUF is still ebbing and flowing just below 320. After Thursday's sharp fall, yields on the secondary market of Hungarian government securities changed mixed.

Later this week, Hungary is to release labour market data for April before the USA publishes the Case-Shiller home price index on Tuesday afternoon.

	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	2721,3	-0,2	1,8	VIX	13,2	5,5	20	WTI	67,9	-4,0	12,3
	DOW	24753,1	-0,2	0,1	US 2Y	2,48	-2,8	59	Brent	76,44	-3,0	14,3
	Nasdaq100	6960,9	0,2	8,8	US 10Y	2,94	-4,6	52	Gold	1301,2	-0,3	-0,1
	DAX	12938,0	0,6	0,2	GER 2Y	-0,66	-2,7	-2	Silver	16,48	-0,9	-2,7
	CAC40	5542,6	-0,1	4,3	GER 10Y	0,41	-6,0	-2	EUR/USD	1,17	-0,6	-2,9
	FTSE 100	7730,3	0,2	0,6	PT10Y	1,99	7,6	6	EUR/GBP	0,88	0,0	-1,4
	FTSE MIB	22398,2	-1,5	2,5	IT 10Y	2,45	5,3	46	EUR/NOK	9,52	0,3	-3,3
	Stoxx600	391,1	0,1	0,5	SP 10	1,45	6,1	-12	USD/CAD	1,30	0,7	3,1
	- Banks	149,2	-1,4	-9,6	iTRAXX	65,2	3,9	44	AUD/USD	0,75	-0,3	-3,2
	Nikkei 225	22481,1	0,1	-1,2	JPY 2Y	-0,14	0	0	USD/JPY	109,38	0,1	-2,9
	SSEC	3130,0	-0,4	-5,4	JPY 10Y	0,04	0	-1	GBP/USD	1,33	-0,5	-1,5
Regional	RTS	1169,9	-0,3	1,3	RUS10	7,3	0,4	-4	USD/RUB	62,195	1,0	7,9
	WIG20	2213,24	0,0	-10,1	POL 10	3,2	-0,4	-3	EUR/PLN	4,31	0,1	3,3
	PX50	1087,5	-1,4	0,9	CZ10	2,0	-0,2	29	EUR/RON	4,625	0,0	-1,1
Hungary	BUX	35758	-0,4	-9,2	3M DKJ	0,21	3	17	EUR/HUF	319,22	0,1	2,8
	OTP	10000	-4,1	-6,7	1Y	0,32	-1	27	USD/HUF	273,94	0,6	5,8
	MOL	2624	1,2	-12,7	3Y	1,19	0	64	CHF/HUF	276,29	0,7	4,3
	MTelekom	417	-0,2	-9,0	5Y	1,75	-3	58	PLN/HUF	74,14	0,2	-0,2
	Richter	5325	0,5	-21,5	10Y	3,13	1	108	GBP/HUF	364,75	0,2	4,4

\* 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 5. 29.	9 : 00	HU Unemployment rate (%)	Apr.		-	3,9
	15 : 00	US Case-Shiller Home Price Index (yoy, %)	March		-	6,8
	30. 8 : 00	DE Retail sales (mom, %)	Apr.		0,7	-0,6
	9 : 00	HU Investment (yoy, %)	Q1		-	14,0
	11 : 00	EZ EC Economic Sentiment Index (points)	May		111,9	112,7
	14 : 00	DE CPI (flash, yoy, %)	May		1,9	1,6
	14 : 15	US ADP non-farm employment (mom, '000s)	May		190,0	204,0
	14 : 30	US GDP (second estimate, annualized, yoy, %)	Q1		2,4	2,3*
	20 : 00	US Beige Book	-		-	-
	31. 3 : 00	CN NBS Manufacturing PMI (points)	May		51	51,4
	3 : 00	CN NBS non-Manufacturing PMI (points)	May		-	54,8
	9 : 00	HU Industrial producer prices (yoy, %)	Apr.		-	3,5
	11 : 00	EZ Unemployment rate (%)	Apr.		8,5	8,5
	11 : 00	EZ CPI (flash, yoy, %)	May		1,6	1,2
	11 : 00	EZ Core CPI (flash, yoy, %)	May		1,0	0,7
	14 : 30	US Personal income (mom, %)	Apr.		0	0
	14 : 30	US Personal consumption (adjusted, mom, %)	Apr.		0,3	0
	15 : 45	US Chicago PMI (points)	May		58,0	57,6
	16 : 00	US Pending home sales (mom, %)	Apr.		0,4	0,4
	6. 1. 9 : 00	HU Trade balance (detailed, monthly, EUR mn)	March		-	558*
	14 : 30	US Non-farm payroll (mom, '000s)	May		185,0	164,0
	16 : 00	US ISM Manufacturing PMI (points)	May		57,7	57,3
	16 : 00	US Construction expenditure (mom, %)	Apr.		1,1	-1,7
	21 : 30	US Vehicle sales (annualized monthly, million)	May		17,2	17,2
	0 : 0	HU Moody's decision (long term sovereign debt)	-		-	Baa3 stabil

\* preliminary data

Sources: Reuters, OTP Research

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