

4 June 2018

## Treasury Sales Team

**Ottó Demjén**

+36 1 288 7558

Otto.Demjen@otpbank.hu

**János Mladoniczki**

+36 1 288 7551

MladoniczkiJ@otpbank.hu

**Lóránt Fábán**

+36 1 288 7572

Lorant.Fabian@otpbank.hu

**Attila Keresztyén**

+36 1 288 7552

KeresztyenA@otpbank.hu

**Ákos Fekete**

+36 1 288 7553

FeketeAko@otpbank.hu

**Frigyes Soós**

+36 1 288 7571

SoosF@otpbank.hu

**Csinszka Kis-Böndi**

+36 1 288 7544

Kisbondics@otpbank.hu

**Szilvia Lovas**

+36 1 288 7545

LovasSz@otpbank.hu

**Edit Kovács Gyimóti**

+36 1 288 7542

KovacsGyE@otpbank.hu

**Zsigmond Csillag**

+36 1 288 7556

Zsigmond.csillag@otpbank.hu

**Roxána Kosztelnik**

+36 1 288 7541

Roxana.kosztelnik@otpbank.hu

**Milán István Nagy**

+36 1 288 7554

Milan.nagy@otpbank.hu



# Global Technical Weekly Report

## Global outlook headlines

### Indices:

- **US SPX 500:** Since the beginning of 2018 the index has been moving sideways inside a wider range. The current range is marked by the strong resistance zone of 2,750-2,813 and below-2,500 levels. In the past three weeks it moved sideways in a narrow range between 2,688 and 2,750. This means the current situation is neutral. If the price leaves this narrow range, we may get a new signal. A big black candle would be a signal for short-selling. Then the target will be the ideal uptrend, running near 2,500.
- **Germany 30:** It reversed from the 13,125 level. The index became overbought there and a back-testing started. As long as the index is above the ideal upward trend, it is better to take long positions. The upward trend may break at the 12,188 natural level.
- **BUX:** The index turned back from an oversold situation at the 34,375 mark, which was an important natural level. This move may change the downward trend. Regardless of the rise, the trend may change above 37,500. In the meantime, it is worth looking for long entry points.

### FX market:

- **EUR/USD:** The cross was significantly oversold last week. It may break above the steeper decreasing trendline. The pair may reach the ideal descending trendline at 1.1963. Another short entry point may be around 1.1963. In the short term, it may still rise.
- **EUR/HUF:** The pair broke above the 314.5 resistance a month ago. It targeted and reached the 320.3 level but stopped there. Above 314.5 a new zone opened; trading can continue between 314.5 and 325. This upward trend may persist as long as the price is above the upward ideal trendline. In the short term it can move sideways.
- **GBP/USD:** The pair may have started a correction phase inside the downward trend. It was too oversold due to the strong dollar. The pair may reach the breakdown level at 1.3672. It is not worth entering on the long side when it falls. A better short entry point is close to the ideal decreasing trendline, which is too far at this moment. It is very risky to be on the long side.

### *Technical Analyst*

**István Kecskeméti**  
kecskemetiis@otpbank.hu  
+36 1 374 7225

### *Chief Economist*

**Gergely Tardos**  
tardosg@otpbank.hu  
+36 1 374 7273

## US SPX 500, daily



**Primary Support: 2,500**  
**Secondary Support: 2,437**

**Primary Resistance: 2,750**  
**Secondary Resistance: 2,813**

### Short-term sideways moves may change

Since the beginning of 2018 the index has been moving sideways inside a wider range.

The current range is marked by the strong resistance zone of 2,750-2,813 and below-2,500 levels.

In the past three weeks it moved sideways in a narrow range between 2,688 and 2,750.

This means the current situation is neutral. If the price leaves this narrow range, we may get a new signal.

A big black candle would be a signal for short-selling.

Then the target will be the ideal uptrend (thick green line), which is running near 2,500.

Stronger supports are at 2,500, or lower at 2,437 and 2,375.

Resistances lie at 2,813 and 2,875.

## Germany 30, daily



**Primary Support: 12,188**  
**Secondary Support: 11,875**

**Primary Resistance: 13,125**  
**Secondary Resistance: 13,438**

## Back-tested the upward trend

The index reversed from the 13,125 level.

It became overbought there and a back-testing started.

As long as the index is above the ideal upward trend, it is better to take long positions.

The upward trend may break at the 12,188 natural level.

There are stronger resistances at 13,125 and 13,438.

Supports can be found at 12,188; 11,875; and 11,563.

### BUX daily



### Strong buyers

The index turned back from an oversold situation at the 34,375 mark, which was an important natural level.

This move may change the downward trend.

Regardless of the rise, the trend may change above 37,500.

In the meantime, it is worth looking for long entry points.

Supports can be found at 34,375; 32,500.

Resistances lie at 37,500; 39,063 and 40,625.

**Primary Support: 34,375**  
**Secondary Support: 32,500**

**Primary Resistance: 37,500**  
**Secondary Resistance: 39,063**

### EUR/USD, daily

### Correction phase inside downtrend



The cross was significantly oversold last week.

The pair may break above the steeper decreasing trendline.

It may reach the ideal descending trendline at 1.1963.

There may be a good short entry point around 1.1963.

In the short term, it may still rise.

Resistances: 1.2207; 1.2329.

A support can be found at 1.1563.

1, © 2018 TeleTrader Software GmbH

<http://workstation.teletrader.com/>

**Primary Support: 1.1563**  
**Secondary Support: 1.1475**

**Primary Resistance: 1.2207**  
**Secondary Resistance: 1.2451**

## EUR/HUF, daily



**Primary Support: 314.5**  
**Secondary Support: 312.5**

**Primary Resistance: 320.3**  
**Secondary Resistance: 324.2**

## Stop in the uptrend

The pair broke above the 314.5 resistance a month ago.

It targeted and reached the 320.3 level but stopped there.

Above 314.5 a new zone opened; trading can continue between 314.5 and 325.

This upward trend may persist as long as the price is above the upward ideal trendline.

In the short term it can move sideways.

Supports can be found at 314.5; 312.5; 310.5; 308.6; 306.6; and 304.6.

Resistances lie at 320.3; 322.3; and 324.2.

### GBP/USD, daily



### In the correction phase

The pair may have started a correction phase inside the downward trend.

It was too oversold due to the strong dollar.

It may reach the breakdown level at 1.3672.

It is not worth entering on the long side when it falls.

A better short entry point is close to the ideal decreasing trendline, which is too far at this moment.

It is very risky to be on the long side.

Supports can be found at 1.3184 and 1.2939.

Resistances lie at 1.3672 and 1.3916.

**Primary Support: 1.3184**  
**Secondary Support: 1.2939**

**Primary Resistance: 1.3672**  
**Secondary Resistance: 1.3916**



## Disclaimer

1. Pursuant to the Commission-delegated regulation 2014/65/EU of the European Parliament, the content of this document shall be considered as an investment research, which recommends or suggests an investment strategy, explicitly or implicitly concerning one or more financial instruments or the issuers of financial instruments, including any opinion as to the present or future value or price of such instruments. The statements in this investment research contain objective or independent explanation. Furthermore, pursuant to Directive 2014/65/EU of the European Parliament and of the Council, this document shall be considered as investment recommendation. This document does not take into account investors' individual interests, circumstances, or objectives; therefore, in the absence of personal recommendation, it shall not be considered as an investment advice.  
OTP Bank intends to make this document available to its clients or to the public, or to make it accessible to other persons in a way that allows this document to be disseminated to the public.
2. The issuer(s) of the product(s) mentioned in this document do not hold more than 5% of OTP Bank's registered capital. OTP Bank is neither a market maker nor the liquidity provider of the financial instrument that is discussed in this document. Neither was OTP Bank a lead-manager (organizer) or joint lead manager (organizer) of any public placement of the issuer's financial instruments (e.g. securities) in the previous 12 months. Regarding investment services defined in Sections A and B of Annex 1 of Directive 2014/65/EU, OTP Bank is not a party of the agreement with the issuer. OTP Bank maintains a conflict of interest policy and it keeps such records, and it has requirements that regulate the transmission of bank secrets and securities secrets, which requirements shall be considered as the effective internal organizational and management solutions as well as information barriers to prevent or manage conflicts of interest. The remuneration of the person(s) participating in preparing the recommendation is not directly related to the transactions carried out as part of the investment services specified in Sections A and B of Annex 1 of Directive 2014/65/EU, or to transactions carried out by them or by other legal entities of the same group, or to trading fees that they or another legal person of the same group receive. OTP Bank does not hold net long or short positions that exceed 0.5% threshold of the issuer's total registered capital.
3. OTP Bank has developed appropriate internal procedures for (i) the personal transactions and tradings of financial analysts and other relevant persons, (ii) the physical separation of the financial analysts involved in the production of investment research and other relevant persons; moreover, information barriers have been implemented, (iii) for accepting and managing incentives and remuneration.
4. This communication does not contain a comprehensive analysis of the described issues; it is only for information purposes. No part, chapter, or the entirety of this information shall be considered as investment advice, not even if any part of this document contains a description of a certain financial instrument in terms of its possible price or yield development, and the related investment options. This information shall not shall be considered as legal, tax or accounting advice.
5. This information reflects the market situation at the time when the document was prepared. You may request more information from OTP Bank. This document was prepared based on publicly accessible information made available to OTP Bank from one or more sources. This document was prepared using data, facts and information from the following essential sources: Portfólió-Teletrader Kft. – Teletrader Professional, Bloomberg, Reuters, Hungarian Central Statistical Office (KSH), Eurostat, Magyar Nemzeti Bank (Hungary's central bank), and European Central Bank (ECB). Although the information in this document has been prepared in good faith from sources that OTP Bank believes to be reliable, we do not represent or warrant its accuracy or completeness. This document represents the opinion and estimations of analysts at OTP Research, based on publicly available data. You may receive different recommendation from the staff of OTP Bank, in particular if you are provided investment advice based on an investment advice agreement. The content of this document is based on the opinion of OTP Research's analyst at the time when the document was prepared, and they may be subject to change at any time in the future without further notice.
6. Please be informed that, irrespective of the findings of this investment research, OTP Bank is entitled to deal or trade as market maker, acting in good faith and in accordance with the usual way of market-making, with the financial instruments distributed by the issuer(s) specified in this document, as well as to provide other investment activities or ancillary services, and/or other financial or ancillary financial services to the issuer and other persons.
7. This document shall not be a basis for any further analysis in relation to the financial instruments contained therein. Any reference in this document to the future distribution of a financial instrument shall be construed as indicative, preliminary and informative, and any analysis of such financial instrument is exclusively based on publicly available information listed in the respective prospectus or announcement. The content of this document shall not imply that OTP Bank acts as an agent, fiduciary, or an advisor to, or on behalf of, any prospective purchaser of the financial instruments discussed herein.
8. For certain persons, access to the products and/or services discussed in this document may not be granted, or it may be limited. The act of preparing this document by OTP Bank, its uploading to the website, its publication may under no circumstances be considered as OTP Bank's intention to make available product and/or service information in the prospectus to persons whom any country or state prohibits from having or obtaining the given product and/or service, including the promotion and the advertisement thereof.
9. Technical analyses can provide useful help in making investment decisions, but before placing an order or opening a position, it is necessary to examine other aspects and the fundamentals, in particular the macroeconomic situation, the financial circumstances, and the financial management of the underlying company. It is risky to make investment decision based on solely the tools of technical analysis – therefore, in order to mitigate these risks, you are strongly recommended to learn and assess these other aspects and fundamentals.
10. This publication contains generic presentation of information and knowledge, thus it does not take into account the individual clients' unique and special interests, financial condition, or their ability and willingness to take risks. Therefore please contact our staff or contact your banking consultant for advice before you make an investment decision. The assessment and the consideration of the individual circumstances is provided by the suitability and compliance tests that assess clients' financial knowledge, experience, risk-taking abilities, as well as the examination of the target market.
11. Before making an informed decision to invest and to use the services, please carefully read through all documents, including the documentation, prospectus, regulations, terms and conditions, announcements and key information documents for that product/service, and carefully consider the subject, the risk, the fees and costs of your investment, the possibility of any loss, and seek information about the tax regulations regarding the product and the investment. The prices of financial instruments and securities are changing, outright sales are realized at then current market prices, which may involve losses. The information and opinions in this document do not substitute or take the place of the issuance documentation for the given financial assets (e.g. prospectus, fund management rules), or their brochures or announcements.
12. You assume total responsibility and risk for any specific decision or investment; OTP Bank shall not be held responsible for the effectiveness of investment decisions or for reaching your purpose, nor for the individual investment decision made based on this document or any part thereof, or for their consequences.  
Investments in financial instruments carry a certain degree of risk, which may affect the effectiveness of the investment decision, and investors may not receive the whole amount they had expected the investment to yield in their investment targets; they may not preserve even the invested amount, therefore the invested capital might even decrease, be wholly lost, or even lead to additional payment obligation.

13. Trading with leveraged products (such as foreign exchange contracts), or shares and indices that have underlying products carries a considerable amount of risk, and these products are not suitable for all investors. Trading with leveraged products carries the risk of losing all capital, and it may incur losses that exceed the amount invested.
14. **The figures and information described herein refer to the past, and past performance is not a reliable indicator of future yields, changes, or performance.**  
The changes on money and capital markets, the fluctuation of prices, the development of investments and their yields are influenced by the combined effect of multiple factors; one important factor of them is the change in investors' expectations. **The development of prices, the future yield of financial assets, indices or indicators, the examination of their changes, trends, and future performance is based on estimations and forecasts, which forecasts do not allow reliable conclusions to be drawn about the future moves of prices, real future yields, changes, or performance.** For each product and service, please assess their tax accounting implications, and other tax consequences, taking into account that they cannot be precisely assessed without knowing the effective tax regulations of the client's individual circumstances; and these legislative provisions as well as the circumstances may change over time.
15. OTP Bank reserves the right to modify this document in the future, without prior notice.
16. This investment research as a recommendation is planned to be updated weekly.  
Previously investment research documents for the same assets and products are available free of charge directly at OTP Research. [www.otpresearch.com](http://www.otpresearch.com)
17. OTP Bank (business registration number: 01-10-041-585; registered seat: Nádor utca 16., Budapest H-1051, Hungary; authorised by Magyar Nemzeti Bank (former supervisory authority: Hungarian Financial Supervisory Authority, 'PSZÁF'). Current supervisory authority: Magyar Nemzeti Bank (National Bank of Hungary – H-1054 Budapest, Szabadság tér 9); customer service: H-1013 Budapest, Krisztina krt. 39. Additional information: <https://www.otpbank.hu/portal/hu/Megtakaritas/Ertekpapir/MIFID>)
18. All rights reserved. This document is solely owned by OTP Bank. No part of this material can be reproduced, re-used, disseminated, made available, re-published, referenced to, inserted in other websites or services without the prior written consent of OTP Bank.
19. If you received this document from the Regional Treasury Directorate of OTP Bank, then it was sent to you with your previous consent. You may withdraw this permission by sending an e-mail to [treasury@otpbank.hu](mailto:treasury@otpbank.hu), or by writing a letter to the following address: Regionális Treasury Igazgatóság 1131 Budapest, Babér utca 16. Please refer to your name and e-mail address in both cases, and to the publication concerned.  
Data management registration number: NAIH-89457/2015.

This document was prepared by:  
István Kecskeméti  
Technical Analyst  
OTP Research

This document was finalized at 3:44:12 PM on 04 June 2018.