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Daily Report

Summary

- Amid the optimism on advanced equity markets, Apple, Amazon and Microsoft all hit new highs
- The USD slightly dropped, as did crude oil prices
- Hungary is to release retail sales and detailed GDP data today

Monday's trading was fairly optimistic on global stock markets. In Europe, the DAX saw 27 of its 30 components close with gains.

On the other side of the Atlantic, stock markets grew by up to 1%. In the technology segment, Apple, Microsoft and Amazon all broke records. On the other hand, the lower petroleum prices kept oil companies under selling pressure.

Most stock markets in Asia were heading higher this morning.

A number of European countries have signalled that the EU should react to America's protective tariffs. The relating risks made the Bank of America's analysts lower their 2018 GDP growth forecast from 2.4% year/year to 2.1%. Economists at Oxford Economics are more optimistic, projecting that the negative effect of the new US steel and aluminium tariffs may be less than 0.1 percentage point throughout the eurozone.

The USD slightly weakened against the euro; the EUR/USD traded around 1.17 this morning. The WTI crude oil sank to 65 USD/barrel and the Brent drew closer to USD 75.

The BUX advanced as Hungarian blue chips had an excellent day: Mol surged 4.8%, OTP grew by 3.8%, and Richter gained 3.0%.

A slight forint firming pushed the EUR/HUF towards 318.5. Hungary's long-term government bond yields edged down.

In the eurozone the June reading of the Sentix investment sentiment index fell sharply: the 9.3 gauge is much less than analysts had expected and it marks a low last seen in the autumn of 2016. Yet the index projects continued economic expansion. In the USA durable goods orders shrank by 0.5% on month/month basis in April.

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Today the eurozone, and Hungary, will release preliminary retail sales data for April. The ISM manufacturing purchasing managers' index will see the light of day in America. The breakdown of Hungary's Q1 GDP is due out today.

| | 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 | 2746,9 | 0,4 | 2,7 | VIX | 12,7 | -5,3 | 15 | WTI | 64,8 | -1,6 | 7,2 |
| | DOW | 24813,7 | 0,7 | 0,4 | US 2Y | 2,51 | 4,0 | 62 | Brent | 75,29 | -2,0 | 12,6 |
| | Nasdaq100 | 7143,6 | 0,8 | 11,7 | US 10Y | 2,94 | 4,2 | 53 | Gold | 1291,6 | -0,1 | -0,8 |
| | DAX | 12770,8 | 0,4 | -1,1 | GER 2Y | -0,64 | 1,2 | -1 | Silver | 16,36 | 0,1 | -3,4 |
| | CAC40 | 5472,9 | 0,1 | 3,0 | GER 10Y | 0,42 | 4,3 | 0 | EUR/USD | 1,17 | 0,3 | -2,5 |
| | FTSE 100 | 7741,3 | 0,5 | 0,7 | PT10Y | 1,78 | -13,6 | -15 | EUR/GBP | 0,88 | 0,6 | -1,1 |
| | FTSE MIB | 22010,0 | -0,5 | 0,7 | IT 10Y | 2,56 | -18,0 | 56 | EUR/NOK | 9,50 | -0,5 | -3,6 |
| | Stoxx600 | 388,1 | 0,3 | -0,3 | SP 10 | 1,34 | -10,3 | -23 | USD/CAD | 1,29 | -0,2 | 2,8 |
| | - Banks | 145,1 | 0,7 | -12,0 | iTRAXX | 65,0 | -3,3 | 44 | AUD/USD | 0,76 | 1,0 | -2,0 |
| | Nikkei 225 | 22535,2 | 0,3 | -1,0 | JPY 2Y | -0,13 | 1 | 1 | USD/JPY | 109,80 | 0,2 | -2,5 |
| | SSEC | 3106,9 | 0,5 | -6,1 | JPY 10Y | 0,05 | 0 | 0 | GBP/USD | 1,33 | -0,3 | -1,5 |
| Regional | RTS | 1179,8 | 1,3 | 2,2 | RUS10 | 7,3 | -0,4 | -4 | USD/RUB | 62,054 | -0,2 | 7,6 |
| | WIG20 | 2210,1 | 0,9 | -10,2 | POL 10 | 3,2 | -0,9 | -3 | EUR/PLN | 4,27 | -0,7 | 2,3 |
| | PX50 | 1080,0 | -0,1 | 0,2 | CZ10 | 1,9 | -0,1 | 28 | EUR/RON | 4,655 | -0,2 | -0,5 |
| Hungary | BUX | 37194 | 3,5 | -5,5 | 3M DKJ | 0,19 | -3 | 15 | EUR/HUF | 318,72 | -0,4 | 2,6 |
| | OTP | 10450 | 3,8 | -2,5 | 1Y | 0,27 | -6 | 22 | USD/HUF | 272,31 | -0,7 | 5,2 |
| | MOL | 2770 | 4,8 | -7,8 | 3Y | 1,15 | -4 | 60 | CHF/HUF | 275,56 | -0,7 | 4,0 |
| | MTelekom | 424 | 1,0 | -7,4 | 5Y | 1,69 | -1 | 52 | PLN/HUF | 74,52 | 0,4 | 0,3 |
| | Richter | 5400 | 3,0 | -20,4 | 10Y | 3,16 | -1 | 111 | GBP/HUF | 362,31 | -0,9 | 3,7 |

* 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. 4. | 10 : 30 | EZ Sentix Investor confidence (points) | June | 9,3 | 18,7 | 19,2 |
| | 16 : 00 | US Factory orders (mom, %) | Apr. | -0,5 | -0,3 | 1,6 |
| 5. | 9 : 00 | HU Retail sales (first estimate, yoy, %) | Apr. | | - | 8,7 |
| | 9 : 00 | HU GDP (yoy, detailed, %) | Q1 | | | 4,4* |
| | 11 : 00 | EZ Retail sales (mom, %) | Apr. | | 0,5 | 0,1 |
| | 16 : 00 | US ISM non-Manufacturing PMI (points) | May | | 57,2 | 56,8 |
| | 0 : 0 | EU Brussels Economic Forum | - | | - | - |
| 6. | 9 : 00 | HU Industrial production (preliminary, yoy, %) | Apr. | | - | -2,4 |
| | 14 : 00 | PL Interest rate decision (%) | June | | | 1,5 |
| 7. | 8 : 00 | DE Industrial orders (mom, %) | Apr. | | 0,8 | -0,9 |
| | 10 : 00 | HU International reserves (preliminary, EURbn) | May | | - | 23,2 |
| | 11 : 00 | EZ GDP (detailed, yoy, %) | Q1 | | 2,5 | 2,5 |
| | 11 : 00 | EZ GDP (detailed, qoq, %) | Q1 | | 0,4 | 0,4 |
| | 11 : 00 | HU Fiscal balance (monthly, billion HUF) | May | | - | -209,4 |
| 8. | 8 : 00 | DE Industrial production (mom, %) | Apr. | | 0,3 | 1,0 |
| | 8 : 00 | DE Export (mom, %) | Apr. | | 0 | 2 |
| | 9 : 00 | HU Inflation (yoy, %) | May | | 2,8 | 2 |
| | 9 : 00 | HU Core inflation (yoy, %) | May | | - | 2,4 |
| | 9 : 00 | HU Trade balance (preliminary, monthly, EUR mn) | Apr. | | | 567* |

* preliminary data

Sources: Reuters, OTP Research

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