



### Summary

- The NASDAQ100 hit new high yesterday.
- Italy's new government won its confidence voted in the Senate.
- Hungary's BUX fell; long-term bond yields sank on Tuesday

America's stock indices opened with losses but the subsequent recovery helped most of them to gains, except for the Dow. A 0.3% increase took the NASDAQ100 to a new record high, bolstered by the technology sector's march higher. Twitter surged 5% on the back of news that it will join the S&P 500 index.

In Europe, the Frankfurt stock markets extended its gains yesterday, while sellers took the upper hand in London (-0.7%) and Paris (-0.2%). On Tuesday Britain announced to further reduce its stake in the Royal Bank of Scotland, to 62%, by selling 925 million shares. The banking fell 5.3% by the close. Italy's markets were still driven by reports about government forming. In his inauguration speech, Prime Minister of Italy's new cabinet Giuseppe Conte pledged to boost social expenditure and end migration, but said his cabinet would not aim at steering Italy out of the eurozone. The populist promises gave new impetus to the rise of yields, thus the yield on the 10Y Italian government bond recovered (2.77%) from the recent days' drop. Meanwhile the euro's 0.1% uptick led the EUR/USD to 1.17. The FTSE MIB slipped 1.2%, dragged down by its weakest component, the financial sector. At the end of the day, the new government won its confidence vote (by 171 to 117) in the upper chamber of Italy's parliament. The House of Representatives will decide today.

Falling 1.4% made the BUX the poorest performer in the CEE region; only two blue chips, Richter and MTelekom, could gain. The winners of the day were the small-cap names. On Tuesday the 4iG company informed the Budapest Stock Exchange about a statement, due out today, which may significantly influence the price of the securities it issues, therefore trading with its shares is suspended today.

In Tuesday's auction of 3M discount treasury shares, the ÁKK sold HUF 75 billion government debt; the bid/cover ratio of nearly 3.0 prompted the agency to raise the amount by the maximum degree. The average yield was 0.15%. On the secondary market of government securities, the long end of the yield curve dipped by three to six basis points. The list of the 12M benchmark securities will change today.

The forint's firming exhausted by the end of the day, and the EUR/HUF returned to the morning's level (318.5). In Central and Eastern Europe, only the Czech koruna could firm against the euro.

Reversing the previous days' drops, the WTI futures climbed 0.9% higher, exceeding USD 65, while the Brent traded just above 75 USD/barrel at the end of the day.

Today's release of the EIA's oil inventory data may move crude oil prices.

	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	2748,8	0,1	2,8	VIX	12,4	-2,7	12	WTI	65,8	1,6	8,9
	DOW	24800,0	-0,1	0,3	US 2Y	2,49	-1,6	60	Brent	75,38	0,1	12,7
	Nasdaq100	7166,8	0,3	12,0	US 10Y	2,92	-1,8	51	Gold	1295,7	0,3	-0,5
	DAX	12787,1	0,1	-1,0	GER 2Y	-0,66	-2,5	-3	Silver	16,46	0,6	-2,9
	CAC40	5461,0	-0,2	2,8	GER 10Y	0,37	-5,1	-6	EUR/USD	1,17	0,2	-2,3
	FTSE 100	7686,8	-0,7	0,0	PT10Y	1,87	9,5	-6	EUR/GBP	0,87	-0,4	-1,5
	FTSE MIB	21750,2	-1,2	-0,5	IT 10Y	2,76	19,9	76	EUR/NOK	9,50	0,1	-3,5
	Stoxx600	386,9	-0,3	-0,6	SP 10	1,39	4,7	-18	USD/CAD	1,30	0,3	3,1
	- Banks	142,3	-2,0	-13,8	iTRAXX	67,1	3,2	49	AUD/USD	0,76	-0,4	-2,4
	Nikkei 225	22620,5	0,4	-0,6	JPY 2Y	-0,13	0	1	USD/JPY	109,78	0,0	-2,6
SSEC	3112,0	-0,1	-5,9	JPY 10Y	0,05	0	0	GBP/USD	1,34	0,6	-0,9	
Regional	RTS	1172,8	-0,6	1,6	RUS10	7,4	0,7	-3	USD/RUB	62,128	0,1	7,8
	WIG20	2255,95	2,1	-8,3	POL 10	3,2	0,4	-2	EUR/PLN	4,28	0,2	2,5
	PX50	1073,2	-0,6	-0,5	CZ10	2,0	1,9	30	EUR/RON	4,649	-0,1	-0,6
Hungary	BUX	36678	-1,4	-6,9	3M DKJ	0,19	0	15	EUR/HUF	318,46	-0,1	2,6
	OTP	10210	-2,3	-4,8	1Y	0,27	0	22	USD/HUF	271,78	-0,2	5,0
	MOL	2700	-2,5	-10,1	3Y	1,14	-1	59	CHF/HUF	275,89	0,1	4,1
	MTelekom	425	0,2	-7,2	5Y	1,66	-3	49	PLN/HUF	74,35	-0,2	0,1
	Richter	5465	1,2	-19,4	10Y	3,11	-5	107	GBP/HUF	363,70	0,4	4,1

\* 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.	4,3	-	8,7
9 : 00	HU	GDP (yoy, detailed, %)	Q1	4,4	-	4,4*
11 : 00	EZ	Retail sales (mom, %)	Apr.	0,1	0,5	0,1
16 : 00	US	ISM non-Manufacturing PMI (points)	May	58,6	57,5	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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