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Daily Report

Summary

- US markets closed higher on Friday but Hungary's BUX dropped
- Crude oil prices sank; the US dollar strengthened
- The HUF weakened; Hungarian long-term government bond yields rose on Friday

Investors adopted a wait-and-see approach before the weekend's G7 summit. The Dow Jones Industrial Average and the S&P500 both climbed 0.3%. In the corporate world, Apple's share price shrank 0.9%, following reports on the contraction in the IT giant's iPhone parts orders.

Asia's stock markets climbed higher in this morning's trading.

Even though US President Donald Trump pulled out of the agreement inked at the G7 summit, the leaders of the other six countries were committed to accepting a joint statement to support the World Trade Organization and keeping world trade unlimited. Although the USA called for re-admitting Russia, which was banned from the club in 2014 for occupying Crimea, other members refused to do so and insisted that economic sanctions should not be lifted before Russia fulfilled the terms of the Minsk Treaty.

Despite Argentina's agreement with the IMF on Thursday, the peso's freefall continued but that was because the central bank abandoned its interventions in support of the local currency, because of the tentative agreement with the Fund. Argentina's equity market has advanced, bond yields have fallen considerably. Elsewhere, the USD/TRY ended the week near Thursday's low, above 4.46. The US dollar's appreciation sent the EUR/USD near 1.178 by Friday night.

Crude oil prices sank as Russia and Saudi Arabia indicated plans to boost output.

The Budapest Stock Exchange closed lower, even though Europe's key equity markets worked off their losses by the end of the day. All Hungarian blue chips ended in the red. Konzum PE Private Equity Fund, a member of the Konzum group, paid for the stake it acquired in 4iG with the Opus shares it had owned. Thus the Fund's holding of Opus shares fell from 65,060,248 to 63,908,160 pieces, and its ownership ratio shrank from 20% to 19.65%. Opus's share price grew 1.1%, while that of 4iG tumbled 8% on Friday.

On Friday the EUR/HUF made a brief visit above 320, only to end a tad below that mark – the pair failed to move away from the 320 level. Meanwhile Ferenc Gerhardt, a Deputy Governor of the MNB, said in a radio interview on Friday night that the MNB did not have an exchange rate target, therefore it did not react to the changes in the HUF's exchange rate.

In Hungary, the long end of the yield curve jumped high on Friday, the 10Y secondary-market benchmark was at 3.19%, and there were even higher yields in the afternoon.

Today's important publications include Britain's industrial output for April, which analysts expect to have slightly expanded.

	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	2779,0	0,3	3,9	VIX	12,2	0,4	10	WTI	65,7	-0,3	8,8
	DOW	25316,5	0,3	2,4	US 2Y	2,50	-0,8	61	Brent	76,46	-1,1	14,3
	Nasdaq100	7152,6	0,0	11,8	US 10Y	2,94	0,2	52	Gold	1298,0	0,1	-0,3
	DAX	12766,6	-0,3	-1,2	GER 2Y	-0,68	-3,8	-5	Silver	16,74	0,4	-1,2
	CAC40	5450,2	0,0	2,6	GER 10Y	0,45	-4,0	3	EUR/USD	1,18	-0,3	-1,9
	FTSE 100	7681,1	-0,3	-0,1	PT10Y	2,09	6,0	16	EUR/GBP	0,88	-0,2	-1,2
	FTSE MIB	21356,0	-1,9	-2,3	IT 10Y	3,13	11,8	113	EUR/NOK	9,48	-0,2	-3,7
	Stoxx600	385,1	-0,2	-1,0	SP 10	1,47	2,0	-10	USD/CAD	1,29	-0,4	2,8
	- Banks	143,9	-1,2	-12,8	iTRAXX	74,8	2,4	66	AUD/USD	0,76	-0,3	-2,6
	Nikkei 225	22804,0	0,4	0,2	JPY 2Y	-0,13	0	1	USD/JPY	109,53	-0,1	-2,8
	SSEC	3049,8	-0,6	-7,8	JPY 10Y	0,05	0	0	GBP/USD	1,34	-0,1	-0,8
Regional	RTS	1142,9	-2,4	-1,0	RUS10	7,5	0,9	-1	USD/RUB	62,276	-0,2	8,0
	WIG20	2250,06	-0,9	-8,6	POL 10	3,3	1,3	1	EUR/PLN	4,28	0,1	2,4
	PX50	1077,4	-0,1	-0,1	CZ10	2,1	-0,3	35	EUR/RON	4,655	0,0	-0,5
Hungary	BUX	36738	-1,8	-6,7	3M DKJ	0,23	2	19	EUR/HUF	319,41	0,3	2,9
	OTP	10180	-2,5	-5,0	1Y	0,33	0	28	USD/HUF	271,35	0,5	4,8
	MOL	2716	-2,1	-9,6	3Y	1,22	5	67	CHF/HUF	276,27	0,3	4,3
	MTelekom	422	-1,7	-8,0	5Y	1,79	5	62	PLN/HUF	74,85	0,5	0,8
	Richter	5510	-0,7	-18,7	10Y	3,25	11	120	GBP/HUF	365,17	0,8	4,5

* 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. 11. 10 : 30	UK	Industrial production (mom, %)	Apr.		0,2	0,1
12. 11 : 00	DE	ZEW Economic Sentiment (points)	June		-13,0	-8,2
14 : 30	US	CPI (yoy, %)	May		2,7	2,5
14 : 30	US	CPI (mom, %)	May		0,2	0,2
14 : 30	US	core-CPI (yoy, %)	May		2,2	2,1
14 : 30	US	core-CPI (mom, %)	May		0,2	0,1
20 : 00	US	Federal budget balance (USDbn)	May		-	214
13. 9 : 00	HU	Industrial production (second estimate, yoy, %)	Apr.		-	7,8*
10 : 30	UK	Inflation (yoy, %)	May		2,5	2,4
10 : 30	UK	Core inflation (yoy, %)	May		2,1	2,1
11 : 00	EZ	Industrial production (mom, %)	Apr.		-0,3	0,5
20 : 00	US	Interest rate decision (%)	June		1,75-2,0	1,5-1,75
14. 4 : 00	CN	Infrastructural spending (yoy, %)	May		7,0	7,0
4 : 00	CN	Industrial production (yoy, %)	May		6,9	7,0
4 : 00	CN	Retail sales (yoy, %)	May		9,5	9,4
8 : 00	DE	CPI (final, yoy, %)	May		2,2	2,2*
10 : 30	UK	Retail sales (mom, %)	May		0,5	1,6
13 : 45	EZ	Interest rate decision (lending rate, %)	June		0,0	0,0
13 : 45	EZ	Interest rate decision (deposit rate, %)	June		0	0
14 : 30	US	Retail sales (mom, %)	May		0,4	0,3
16 : 00	US	Business inventories (mom, %)	Apr.		0,3	0,0
15. 5 : 00	JP	Interest rate decision (%)	June		-0,1	-0,1
9 : 00	HU	Construction output (yoy, %)	Apr.		-	1
11 : 00	EZ	CPI (final, yoy, %)	May		1,9	1,9*
14 : 30	US	New York Fed Manufacturing index (points)	June		19,0	20,1
15 : 15	US	Industrial production (mom, %)	May		0,3	0,7
16 : 00	US	Michigan Consumer confidence (preliminary, points)	June		98,5	98,0

* preliminary data

Sources: Reuters, OTP Research

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Data management registration number: NAIH-89457/2015

This document was prepared on 11 June 2018.

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