

Summary

- The technology sector continued its march higher.
- The BUX was a weak performer compared to its regional peers.
- US inflation accelerated to six-year high.
- The Fed's rate-setting meeting will end today.

The string of rate decisions due later this week left its mark on Tuesday's session, prompting investors to adopt a wait-and-see approach. Today's meeting of the Fed central bankers will be followed by those of the ECB on Thursday, and the Bank of Japan on Friday. Failing to pare the morning's losses by the close, Western Europe's key indices ended in the red. America's markets could pick up and close in positive territory at the end of the day, except for the Dow. The technology sector's surge drove the NASDAQ100 0.6% higher, one of its best-performing components, Tesla advanced 3.2% as Elon Musk confirmed on Twitter that the company was planning a 9% job cut.

Richard Leon, a federal judge in Washington DC, overruled the verdict of the US Department of Justice's antitrust office, opening the door to the AT&T telecommunications company acquiring Time Warner.

Hungary's BUX (-0.7%) ranked low on the CEE region league table yesterday. Generating the strongest trading volume, OTP (-2.4%) was the only blue chip to close in the red. The ÁKK sold the amount offered in 3M treasury bills, with the bid/cover ratio (1.5) less than in previous weeks. The HUF 50 billion government debt was sold at an average yield of 0.13%, which is three basis points less than the current yield on the secondary market. On the secondary market, bond yields rose by 3-7 bps on the secondary market.

The EUR and the JPY dropped 0.3% versus the US dollar. But the euro preserved its strength against emerging currencies; only the EUR/HUF (319.7) sank, wiping out the losses the forint made on Monday. Meanwhile the Turkish lira (TRY) depreciated more than 1% against the key currencies.

Brent futures slipped more than 1%. The most important industrial and precious metal prices edged lower.

Asia's stock markets ended a gloomy trading this morning. Among the most important indices, Japan's Nikkei225 could advance. The yen opened with loss against the USD.

US inflation accelerated to 2.8% year/year in May, its highest reading since 2012. The rise in fuel prices left its mark on consumer prices; core inflation accelerated from 2.1% to 2.2%. This bolstered expectations that the Fed Open Market Committee will raise interest rates by 25 basis points today. According to the Wall Street Journal's sources, from now on each meeting, rather than every second one, will be followed by a press conference.

This afternoon Hungary's Finance Minister Mihály Varga is to present to Parliament the draft of the 2019 budget, titled 'The Budget of Secure Growth'.

	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	2786,9	0,2	4,2	VIX	12,3	-0,1	12	WTI	65,8	-0,4	9,0
	DOW	25320,7	0,0	2,4	US 2Y	2,54	1,3	65	Brent	75,88	-0,8	13,5
	Nasdaq100	7209,2	0,6	12,7	US 10Y	2,96	0,0	55	Gold	1295,6	-0,3	-0,5
	DAX	12842,3	0,0	-0,6	GER 2Y	-0,62	-0,5	1	Silver	16,86	-0,2	-0,5
	CAC40	5453,4	-0,4	2,7	GER 10Y	0,49	-0,5	7	EUR/USD	1,17	-0,3	-2,1
	FTSE 100	7703,8	-0,4	0,2	PT10Y	2,02	1,7	10	EUR/GBP	0,88	-0,3	-1,1
	FTSE MIB	22119,8	0,2	1,2	IT 10Y	2,87	1,5	88	EUR/NOK	9,46	-0,2	-4,0
	Stoxx600	387,5	-0,1	-0,4	SP 10	1,45	-0,9	-13	USD/CAD	1,30	0,3	3,5
	- Banks	147,0	-0,1	-10,9	iTRAXX	72,1	1,2	60	AUD/USD	0,76	-0,5	-2,9
	Nikkei 225	22961,5	0,4	0,9	JPY 2Y	-0,13	0	1	USD/JPY	110,36	0,3	-2,1
SSEC	3063,1	-0,5	-7,4	JPY 10Y	0,05	0	0	GBP/USD	1,34	0,0	-1,1	
Regional	RTS	1142,0	0,0	-1,1	RUS10	7,5	0,0	-1	USD/RUB	63,043	0,4	9,3
	WIG20	2252,39	0,8	-8,5	POL 10	3,3	-0,4	-1	EUR/PLN	4,28	0,3	2,5
	PX50	1078,9	0,2	0,1	CZ10	2,1	-0,1	39	EUR/RON	4,660	0,0	-0,4
Hungary	BUX	36348	-0,7	-7,7	3M DKJ	0,22	1	18	EUR/HUF	319,50	-0,4	2,9
	OTP	9860	-2,4	-8,0	1Y	0,34	0	29	USD/HUF	272,02	-0,1	5,1
	MOL	2710	0,1	-9,8	3Y	1,31	3	76	CHF/HUF	275,62	-0,2	4,0
	MTelekom	424	1,2	-7,5	5Y	1,91	6	74	PLN/HUF	74,59	-0,8	0,4
	Richter	5550	0,1	-18,1	10Y	3,37	8	132	GBP/HUF	363,54	-0,2	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. 11. 10 : 30	UK	Industrial production (mom, %)	Apr.	-0,8	0,2	0,1
12. 11 : 00	DE	ZEW Economic Sentiment (points)	June	-16,1	-13,0	-8,2
14 : 30	US	CPI (yoy, %)	May	2,8	2,7	2,5
14 : 30	US	CPI (mom, %)	May	0,2	0,2	0,2
14 : 30	US	core-CPI (yoy, %)	May	2,2	2,2	2,1
14 : 30	US	core-CPI (mom, %)	May	0,2	0,2	0,1
20 : 00	US	Federal budget balance (USDbn)	May	-147,0	-	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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