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Daily Report

Summary

- Investor sentiment was negative on Monday across international markets
- The euro did not gain strength against the dollar, crude oil prices rose sharply after Friday's major fall
- The MNB hold an important interest rate decision meeting today, the forint weakened further in the unfavourable market mood and long yields also moved upwards

The advanced stock markets were closed at a loss, DAX's all components and the major indices were overseas lost steam, though Chevron showed +1.4% and Microsoft had a 0.7% rise on the first day of the week. After Friday's fall, crude oil prices rose sharply, Brent's type was nearly USD75.5 per barrel on Monday night, almost returning to Friday morning level. This time, the possible outcomes of the commercial war depressed investors, while in Germany the arrest of the Audi CEO in Monday morning contributed mainly to the unfavorable mood.

For the time being, the euro did not gain against the dollar since last Thursday's significant weakening, following the ECB's announcement. EURUSD did not exceed 1,163 on Monday.

BUX was down by 1.5%. OTP moved away from the 10,000 HUF level, investors also sold Richter, Mol and Opus, among the top-volume papers only MTelekom could have increased. György Wáberer's real estate firm, BILK, can be subscribed from Wednesday (to 4th July) according to a document published by the company, while public trading may begin at the middle of July.

Long-term yields continued to increase before the MNB's interest rate setting meeting and the forint has weakened against the euro. Ten-year government bond yield is close to 3.5% now, domestic currency has weakened to another three and a half years' high of 324.1 against the euro. On Monday, the central bank did not change the amount of surplus liquidity provided to the banking system, which means that it has not yet sent signal for stricter monetary policy. An important interest rate decision comes today afternoon, when the MNB's updated forecasts and related communications can easily determine the trading trend for forint and government securities for the next few weeks.

In addition to the domestic interest rate setting meeting, real estate market data from the United States are coming. The numbers of issued building permits as well as of housing starts are likely to remain robust, referring to May.

	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	2773,8	-0,2	3,7	VIX	12,3	2,8	12	WTI	65,7	3,4	8,7
	DOW	24987,5	-0,4	1,1	US 2Y	2,56	0,5	67	Brent	75,34	2,6	12,7
	Nasdaq100	7251,4	-0,1	13,4	US 10Y	2,93	0,2	52	Gold	1277,9	-0,1	-1,9
	DAX	12834,1	-1,4	-0,6	GER 2Y	-0,65	0,0	-2	Silver	16,40	-0,7	-3,2
	CAC40	5450,5	-0,9	2,6	GER 10Y	0,40	-0,5	-2	EUR/USD	1,16	0,1	-3,1
	FTSE 100	7631,3	0,0	-0,7	PT10Y	1,77	-11,0	-16	EUR/GBP	0,88	0,4	-1,2
	FTSE MIB	22099,3	-0,4	1,1	IT 10Y	2,56	-5,8	56	EUR/NOK	9,45	-0,1	-4,1
	Stoxx600	385,9	-0,8	-0,8	SP 10	1,27	-3,8	-31	USD/CAD	1,32	0,0	4,9
	- Banks	141,5	-0,6	-14,2	iTRAXX	68,0	4,1	51	AUD/USD	0,74	-0,3	-4,9
	Nikkei 225	22278,5	-1,8	-2,1	JPY 2Y	-0,14	0	0	USD/JPY	110,54	-0,1	-1,9
	SSEC	2889,4	-4,4	-12,6	JPY 10Y	0,03	0	-2	GBP/USD	1,32	-0,3	-2,0
Regional	RTS	1100,6	-1,5	-4,7	RUS10	7,9	1,5	4	USD/RUB	63,362	0,4	9,9
	WIG20	2150,98	-2,4	-12,6	POL 10	3,2	-0,8	-3	EUR/PLN	4,30	0,4	3,0
	PX50	1069,4	-0,8	-0,8	CZ10	2,1	1,7	41	EUR/RON	4,666	0,1	-0,2
Hungary	BUX	35505	-1,5	-9,8	3M DKJ	0,24	0	20	EUR/HUF	323,61	0,4	4,2
	OTP	9740	-2,1	-9,1	1Y	0,43	0	38	USD/HUF	278,25	0,2	7,5
	MOL	2652	-1,6	-11,7	3Y	1,59	3	104	CHF/HUF	279,56	0,2	5,5
	MTelekom	414	0,1	-9,7	5Y	2,14	2	97	PLN/HUF	75,14	-0,2	1,2
	Richter	5280	-1,0	-22,1	10Y	3,47	-2	142	GBP/HUF	368,47	-0,1	5,5

* 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. 19.	14 : 00	HU Interest rate decision (%)	June		0,9	0,9
	14 : 30	US Housing starts (annualized monthly, '000s)	May		1310	1287
	14 : 30	US Building permits (annualized monthly, '000s)	May		1355	1364
20.	14 : 30	PT ECB conference	-			
	16 : 00	US Existing home sales (mom, %)	May		5520	5460
21.	8 : 30	HU Balance of payments (quarterly, EURbn)	Q1		-	0,2
	9 : 00	HU Gross wages (yoy, %)	Apr.		-	11
	10 : 00	HU Inflation report	June			
	13 : 00	UK Interest rate decision (%)	June		0,5	0,5
	16 : 00	US Leading index (mom, %)	May		0,4	0,4
	16 : 00	EZ Consumer confidence index (flash, points)	June		-0,3	0,2
22.	1 : 30	JP CPI (yoy, %)	May		-	0,6
	1 : 30	JP core-CPI (yoy, %)	May		0,7	0,7
	2 : 30	JP Nikkei Manufacturing PMI (points)	June		-	52,5
	9 : 00	FR Markit Service PMI (points)	June		54,0	54,3
	9 : 00	FR Markit Manufacturing PMI (points)	June		53,5	54,4
	9 : 30	DE Markit Service PMI (points)	June		52,5	52,1
	9 : 30	DE Markit Manufacturing PMI (points)	June		56,5	56,9
	10 : 00	EZ Markit Service PMI (points)	June		54	54
	10 : 00	EZ Markit Manufacturing PMI (points)	June		55,1	55,5
	15 : 45	US Markit Manufacturing PMI (points)	June		-	56,6
	15 : 45	US Markit Service PMI (points)	June		-	55,7
		AT OPEC Meeting	-			

* preliminary data

Sources: Reuters, OTP Research

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