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Daily Report

Summary

- The US Department of Commerce delayed sanctions on Huawei.
- The developed world's stock markets closed with gains.
- Theresa May no longer rules out a second Brexit referendum.
- The EUR/HUF made a visit to above-327 levels on Tuesday.

The stock markets of emerged economies made a cautious correction on Tuesday, following Monday's losses. The escalation of the trade war, which hit Huawei and its suppliers on Monday, appeared to be settling, at least temporarily. The US Department of Commerce delayed sanctions on Huawei for 90 days.

Hungary's BUX inched down by Tuesday's close. MOL was its only blue chip to edge higher; MTelekom's share price did not budge. This morning Konzum informed investors through the Budapest Stock Exchange's website that KONZUM would merge into OPUS on 30 June. Richter will pay HUF 100 dividend per ordinary share, starting from 27 June, the pharmaceutical company said this morning.

An unexpected twist gave impetus to the pound sterling's appreciation yesterday. Theresa May, who has thus far categorically ruled out a second Brexit referendum, suggested in Tuesday's government meeting that Tory MPs were free to decide in a vote on announcing a new referendum, and thus, together with other parties' anti-Brexit MPs, could secure the majority required for announcing a second referendum. Following the meeting, Theresa May said she would present a new draft proposal at the parliamentary vote, scheduled for early June, and the next referendum would be about whether to accept this withdrawal agreement. Her talks with the Labour Party touched upon the idea of a temporary customs union, Mrs. May added. After the initial impetus, investors soon turned their back on the pound, which closed a tad stronger against the euro.

In Tuesday's auction of 3M zero-coupon Treasury bills, the ÁKK sold the amount on offer (HUF 25 bn government debt) with the bid/cover ratio exceeding 2.0. On the secondary market of government bonds, yields rose by one to four basis points.

The yield on the German and British 10Y bonds upped by two and three basis points respectively.

The forint opened with a sharp loss against the euro but the subsequent correction drove the EUR/HUF back to 326.2; the pair closed practically flat. Reports that Brexit may not take place after all benefited the euro against the USD, but the single currency soon ran out of impetus, and the greenback closed a tad stronger at the end of the day.

The stock markets of Japan and Hong Kong nudged somewhat higher in today's trading. Mainland China's Shanghai Composite stood 0.5% in the red ahead of the close. The yen opened with slight gain versus the US dollar.

Today's highlights include the EIA oil inventory data, and the minutes of the Fed's latest rate-setting decision.

	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	2864,4	0,8	14,3	VIX	15,0	-8,3	-41	WTI	63,1	-0,2	39,0
	DOW	25877,3	0,8	10,9	US 2Y	2,26	3,5	-24	Brent	72,18	0,3	34,2
	Nasdaq100	7451,0	1,0	17,7	US 10Y	2,43	1,2	-27	Gold	1274,7	-0,2	-0,6
	DAX	12143,5	0,8	15,0	GER 2Y	-0,62	1,5	-3	Silver	14,45	-0,1	-6,7
	CAC40	5385,5	0,5	13,8	GER 10Y	-0,06	2,9	-31	EUR/USD	1,1158	-0,1	-2,7
	FTSE 100	7328,9	0,2	8,9	PT10Y	1,05	-3,7	-67	EUR/GBP	0,8787	0,1	-2,2
	FTSE MIB	20698,6	0,8	13,0	IT 10Y	2,64	-6,2	-13	EUR/NOK	9,7814	-0,3	-1,3
	Stoxx600	379,5	0,5	12,4	SP 10	0,88	-1,2	-55	USD/CAD	1,3405	-0,2	-1,7
	- Banks	115,1	0,8	1,8	iTRAXX	66,6	0,0	-24	AUD/USD	0,6883	-0,3	-2,4
	Nikkei 225	21283,5	0,1	6,3	JPY 2Y	-0,15	0,4	-1	USD/JPY	110,49	0,4	0,8
SSEC	2889,0	-0,6	15,8	JPY 10Y	-0,05	-0,6	-6	GBP/USD	1,2705	-0,2	-0,4	
Regional	RTS	1279,1	1,8	20,0	RUS10	8,0	-0,5	-9	USD/RUB	64,410	-0,1	-7,6
	WIG20	2190,93	0,7	-3,8	POL 10	2,9	0,6	3	EUR/PLN	4,30	0,2	0,4
	PX50	1048,3	-0,1	6,3	CZ10	1,8	-0,6	-7	EUR/RON	4,763	0,1	2,4
Hungary	BUX	39576	-0,1	1,1	3M DKJ	0,12	-0,1	5	EUR/HUF	326,09	-0,1	1,6
	OTP	11980	-0,2	6,1	1Y	0,29	-1,0	-16	USD/HUF	292,04	-0,1	4,4
	MOL	3150	0,4	2,3	3Y	1,38	4,7	12	CHF/HUF	289,29	-0,1	1,4
	MTelekom	424	0,0	-3,6	5Y	2,20	2,0	-33	PLN/HUF	75,78	-0,2	1,6
	Richter	4964	-1,0	-8,6	10Y	3,28	4,0	24	GBP/HUF	373,10	0,3	4,7

* 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.
2019 5. 20. 1 : 50	JP	GDP (preliminary, qoq, %)	Q1	0,5	0,0	0,5
21. 1 : 00	US	Jerome Powell speech	-	-	-	-
11 : 00		OECD Economic Forecast	-	-	-	-
16 : 00	EZ	Consumer confidence (point)	May	-6,5	-7,7	-7,9
16 : 00	US	Existing home sales (mom, %)	Apr	5190	5350	5210
22. 9 : 00	EZ	Mario Draghi speech	-	-	-	-
10 : 30	UK	Inflation (yoy, %)	Apr		2,2	1,9
10 : 30	UK	Core inflation (yoy, %)	Apr		1,9	1,8
20 : 00	US	FOMC Minutes	May		-	-
2 : 30	JP	Nikkei Manufacturing PMI (points)	May		-	50,2
9 : 15	FR	Markit Manufacturing PMI (points)	May		50,0	50
9 : 15	FR	Markit Service PMI (points)	May		50,8	50,5
8 : 00	DE	GDP (detailed, qoq, %)	Q1		0,4	0,4*
9 : 30	DE	Markit Manufacturing PMI (points)	May		44,8	44,4
9 : 30	DE	Markit Service PMI (points)	May		55,5	55,7
10 : 00	DE	IFO Economic sentiment index (points)	May		99,2	99,2
10 : 00	EZ	Markit Manufacturing PMI (points)	May		48,1	47,9
10 : 00	EZ	Markit Service PMI (points)	May		53,0	52,8
13 : 30	EZ	ECB Minutes	Apr		-	-
14 : 30	US	Continuing jobless claims ('000s)	weekly		1670	1660
14 : 30	US	Initial jobless claims ('000s)	weekly		215	212
15 : 45	US	Markit Manufacturing PMI (points)	May		52,7	52,6
15 : 45	US	Markit Service PMI (points)	May		53,2	53,0
16 : 00	US	New home sales (annualized monthly, '000s)	Apr		675	692
24. 1 : 30	JP	CPI (yoy, %)	Apr			0,5
1 : 30	JP	core-CPI (yoy, %)	Apr		0,9	0,8
10 : 30	UK	Retail sales (mom, %)	Apr		-0,3	1,1
14 : 30	US	Durable goods orders (mom, %)	Apr		-2,0	2,6
2019.05.23-26.	EU	European Parliamentary Elections	-		-	-

* preliminary data

Sources: Reuters, OTP Research

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