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Daily Report

Summary

- Optimism ruled Europe's stock markets on Tuesday.
- Donald Trump's Twitter post broke the impetus of the industrial sector.
- The USA will publish the latest inflation figures today.

As fears of a trade war with Mexico evaporated, investors' optimism returned; apparently they assume that the talks with China will be likewise successful. The expectation that the Fed's forthcoming meeting may lower interest rates was one more to argument for hitting the Buy button. Western Europe's key stock markets maintained the momentum until the close. However, Donald Trump's Twitter post soured the sentiment in the USA, making the Nasdaq100 the only US benchmark to close in positive territory.

The US President expressed concerns about the planned mega-merger of Raytheon and United Technologies, maintaining that this plan weakens his administration's bargaining power. In the aftermath of the announcement, investors hit industrial shares, making it the worst-performing sector in the S&P. President Trump raised a few eyebrows by threatening with additional tariff hikes on Chinese goods, unless Xi Jinping meets him at the G20 summit. Donald Trump also tweeted about the EUR/USD pair, finding the euro undervalued against the US dollar, which adversely affects the USA. The euro's trivial firming sent the EUR/USD to 1.13.

The BUX was an underperformer in regional comparison, yet it ended with gains on Tuesday. The weakest Hungarian blue chip, OTP closed in the red, while the strongest one, MTelekom surged 3.5%.

In Tuesday's auction of 3M zero-coupon Treasury bills, Hungary's ÁKK sold the amount on offer (HUF 20 bn) with the bid/cover ratio exceeding 2.0, and at an average yield of 0.04%. On the secondary market, only the long end of the yield curve made subtle moves. The forint minimally weakened against the key currencies.

Crude oil prices sank, while the most important industrial metal prices closed higher at the end of the day.

Asia's key indices closed in the red this morning; in Hong Kong the Hang Seng slid 1.8%, in the worst performance. The yen opened on a strong note versus the US dollar.

Today the USA will release consumer price inflation (CPI) and core CPI figures.

	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	2885,7	0,0	15,1	VIX	16,0	0,3	-37	WTI	52,8	-0,8	16,3
	DOW	26048,5	-0,1	11,7	US 2Y	1,92	2,0	-58	Brent	62,29	0,0	15,8
	Nasdaq100	7513,9	0,2	18,7	US 10Y	2,14	-0,1	-55	Gold	1326,7	-0,1	3,4
	DAX	12155,8	0,9	15,1	GER 2Y	-0,66	-0,2	-7	Silver	14,70	0,3	-5,0
	CAC40	5408,5	0,5	14,3	GER 10Y	-0,23	-1,2	-48	EUR/USD	1,1329	0,2	-1,2
	FTSE 100	7398,5	0,3	10,0	PT10Y	0,64	-8,2	-109	EUR/GBP	0,8901	-0,2	-0,9
	FTSE MIB	20609,7	0,6	12,5	IT 10Y	2,31	-4,2	-46	EUR/NOK	9,7773	-0,2	-1,3
	Stoxx600	380,9	0,7	12,8	SP 10	0,58	-2,9	-84	USD/CAD	1,3279	0,1	-2,6
	- Banks	112,9	0,2	-0,1	iTRAXX	60,5	-0,9	-31	AUD/USD	0,6960	0,0	-1,3
	Nikkei 225	21129,7	-0,4	5,6	JPY 2Y	-0,19	-0,5	-6	USD/JPY	108,50	0,1	-1,0
	SSEC	2912,0	-0,5	16,8	JPY 10Y	-0,11	-0,1	-12	GBP/USD	1,2722	0,3	-0,3
Regional	RTS	1343,3	0,6	26,0	RUS10	7,7	0,0	-12	USD/RUB	64,520	-0,3	-7,4
	WIG20	2295,6	0,6	0,8	POL 10	2,5	1,7	-10	EUR/PLN	4,26	0,1	-0,6
	PX50	1061,9	0,3	7,6	CZ10	1,6	-0,5	-15	EUR/RON	4,718	0,1	1,4
Hungary	BUX	41235	0,2	5,4	3M DKJ	0,12	0,0	5	EUR/HUF	321,18	0,3	0,1
	OTP	12410	-0,6	9,9	1Y	0,28	0,0	-17	USD/HUF	283,38	0,2	1,3
	MOL	3306	0,6	7,4	3Y	1,11	0,0	-15	CHF/HUF	285,73	-0,1	0,1
	MTelekom	427	3,5	-3,0	5Y	1,84	-1,0	-69	PLN/HUF	75,26	0,1	0,9
	Richter	5100	0,0	-6,1	10Y	2,92	-3,0	-12	GBP/HUF	360,88	0,3	1,3

* 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	6. 10.	10 : 30	UK	Industrial production (mom, %)	Apr	-2,7	-0,7	0,7
	11.	10 : 30	EZ	Sentix Investor confidence (points)	Jun	-3,3	2,9	5,3
	12.	14 : 30	US	CPI (yoy, %)	May		1,9	2,0
		14 : 30	US	CPI (mom, SA, %)	May		0,1	0,3
		14 : 30	US	core-CPI (yoy, %)	May		2,1	2,1
		14 : 30	US	core-CPI (mom, SA, %)	May		0,2	0,1
		20 : 00	US	Federal budget balance (USDbn)	May		-185,5	160,0
	13.	9 : 00	HU	Industrial production (second estimate, yoy, %)	Apr		-	6,3*
		11 : 00	EZ	Industrial production (mom, %)	Apr		-0,4	-0,3
		14 : 30	US	Continuing jobless claims ('000s)	weekly		1680	1682
		14 : 30	US	Initial jobless claims ('000s)	weekly		216	218
	14.	4 : 00	CN	Infrastructural spending (yoy, %)	May		6,1	6,1
		4 : 00	CN	Industrial production (yoy, %)	May		5,5	5,4
		4 : 00	CN	Retail sales (yoy, %)	May		8,2	7,2
		9 : 00	HU	Construction output (yoy, %)	Apr		-	68
		14 : 30	US	Retail sales (mom, %)	May		0,6	-0,2
		15 : 15	US	Industrial production (mom, %)	May		0,2	-0,5
		16 : 00	US	Business inventories (mom, %)	Apr		0,5	0,0
		16 : 00	US	Michigan Consumer confidence (preliminary, points)	Jun		98,0	100,0

*preliminary data

Sources: Reuters, OTP Research

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