

## Treasury Sales Team

### Head of Sales

**Ottó Demjén**

+36 1 288 7558

[Otto.Demjen@otpbank.hu](mailto:Otto.Demjen@otpbank.hu)

### Retail

**Zsigmond Csillag**

+36 1 288 7556

[zsigmond.csillag@otpbank.hu](mailto:zsigmond.csillag@otpbank.hu)

**Attila Keresztyén**

+36 1 288 7552

[KeresztyenA@otpbank.hu](mailto:KeresztyenA@otpbank.hu)

**István Milán Nagy**

+36 1 288 7554

[milan.nagy@otpbank.hu](mailto:milan.nagy@otpbank.hu)

**Frigyes Soós**

+36 1 288 7571

[SoosF@otpbank.hu](mailto:SoosF@otpbank.hu)

**Pál András Saághy**

+36 1 288 7553

[Pal.Andras.Saaghy@otpbank.hu](mailto:Pal.Andras.Saaghy@otpbank.hu)

### Institutional

**Lóránt Fábán**

+36 1 288 7572

[Lorant.Fabian@otpbank.hu](mailto:Lorant.Fabian@otpbank.hu)

**Szilvia Lovas**

+36 1 288 7545

[LovasSz@otpbank.hu](mailto:LovasSz@otpbank.hu)

**János Mladoniczki**

+36 1 288 7551

[MladoniczkiJ@otpbank.hu](mailto:MladoniczkiJ@otpbank.hu)

### Corporate

**Nóra Ilona Gordos**

+36 1 288 7549

[Nora.Ilona.Gordos@otpbank.hu](mailto:Nora.Ilona.Gordos@otpbank.hu)

**János Imrei**

+36 1 288 7555

[janos.imrei@otpbank.hu](mailto:janos.imrei@otpbank.hu)

**Csinszka Kis-Böndi**

+36 1 288 7544

[Kis-bondics@otpbank.hu](mailto:Kis-bondics@otpbank.hu)

**Roxána Kosztelnik**

+36 1 288 7541

[roxana.kosztelnik@otpbank.hu](mailto:roxana.kosztelnik@otpbank.hu)

**Edit Kovács Gyimóti**

+36 1 288 7542

[KovacsGyE@otpbank.hu](mailto:KovacsGyE@otpbank.hu)



# Daily Report

### Summary

- US and European markets closed in the red territory.
- Another initiative failed in the British Parliament to prevent a hard Brexit.
- The dollar gained strength.
- US inflation data was published yesterday.

Investor sentiment was gloomy yesterday on the American markets. A US-China trade war tensions contributed to market uncertainties. Donald Trump said on Tuesday, that until China “returns to the previously negotiated deal” he has “no interest” in the ongoing negotiations. The Dow and the S&P500 weakened by 0.2%, the Nasdaq100 lost 0.6%.

In Europe markets also closed in the negative territory: the DAX and the Stoxx600 declined by 0.3%, the FTSE100 by 0.4% and the CAC40 retreated 0.6%. As a result of the falling oil price, shares of oil companies declined: the British Petrol lost 2.9%. Despite the pessimist sentiment, the Axel Springer rallied 11.8%, after the KKR global investment firm announced, that it will be bought by the German media group for 7.7 billion dollars. Amidst unfavourable international environment, the BUX weakened by 1.6%. Among Hungarian blue chips, the Mol and Richter lost 0.8%, while the Hungarian Telekom was down by 2.1% and the OTP by 2.4%.

Another vote was held in the British Parliament’s House of Commons in regards to Brexit. The initiative – submitted by Labour – sought to allocate time for Parliament to discuss a bill which would forbid the UK to leave the EU without a deal. However, MPs voted down the proposal which increases the chance of a no-deal Brexit. Italian government bond yields rose significantly, after Jean-Claude Juncker, president of the European Commission, said, that in case there is no fiscal correction the excessive fiscal deficit procedure could be launched against Italy. 10-year Italian government yields increased by 12 basis points.

The dollar gained against the euro: the EURUSD declined by 0.4%, as Vadis Dombrovskis Commissioner of the European Commission for Euro and Social Dialog refused the previous comments of Donald Trump that the Euro would be undervalued compared to the American dollar. The Hungarian forint weakened by 0.3% against the euro. Oil prices fell, after the US Energy Information Administration reported an increase in oil inventories. The WTI decreased by 3.2% the Brent by 3.7%.

The US inflation data from May was published. Consumer prices rose by 1.8% YoY, which is 0.1 percentage points lower than the economic consensus. Core inflation was 2.0%. Consumer price growth has been decelerating from 2.5% in October last year.

The Hungarian Central Statistical Office publishes today the industrial production statistics for April, and industrial production data also is also issued about the Eurozone. Furthermore, jobless claims statistics of the United States is also published today.

	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	2879,8	-0,2	14,9	VIX	15,9	-0,5	-37	WTI	51,1	-3,2	12,6
	DOW	26004,8	-0,2	11,5	US 2Y	1,89	-3,1	-61	Brent	59,97	-3,7	11,5
	Nasdaq100	7472,3	-0,6	18,0	US 10Y	2,13	-1,3	-56	Gold	1333,2	0,5	3,9
	DAX	12115,7	-0,3	14,7	GER 2Y	-0,67	-0,5	-8	Silver	14,74	0,2	-4,8
	CAC40	5374,9	-0,6	13,6	GER 10Y	-0,24	-0,4	-48	EUR/USD	1,1287	-0,4	-1,6
	FTSE 100	7367,6	-0,4	9,5	PT10Y	0,64	0,7	-108	EUR/GBP	0,8894	-0,1	-1,0
	FTSE MIB	20463,3	-0,7	11,7	IT 10Y	2,43	11,6	-35	EUR/NOK	9,7725	0,0	-1,3
	Stoxx600	379,7	-0,3	12,5	SP 10	0,58	-0,2	-85	USD/CAD	1,3341	0,5	-2,2
	- Banks	111,7	-1,1	-1,2	iTRAXX	61,3	1,3	-30	AUD/USD	0,6928	-0,5	-1,7
	Nikkei 225	20973,6	-0,7	4,8	JPY 2Y	-0,20	-0,5	-6	USD/JPY	108,49	0,0	-1,0
	SSEC	2906,8	-0,1	16,6	JPY 10Y	-0,11	-0,1	-12	GBP/USD	1,2686	-0,3	-0,6
Regional	RTS	1343,3	0,0	26,0	RUS10	7,7	0,0	-12	USD/RUB	64,892	0,6	-6,9
	WIG20	2282,8	-0,6	0,3	POL 10	2,5	-1,8	-12	EUR/PLN	4,25	-0,2	-0,8
	PX50	1052,0	-0,9	6,6	CZ10	1,6	-0,2	-15	EUR/RON	4,721	0,1	1,5
Hungary	BUX	40592	-1,6	3,7	3M DKJ	0,12	0,0	5	EUR/HUF	322,05	0,3	0,4
	OTP	12110	-2,4	7,3	1Y	0,27	-1,0	-18	USD/HUF	285,17	0,6	1,9
	MOL	3280	-0,8	6,6	3Y	1,11	0,0	-15	CHF/HUF	285,88	0,1	0,2
	MTelekom	418	-2,1	-5,0	5Y	1,83	-1,0	-70	PLN/HUF	75,59	0,4	1,3
	Richter	5060	-0,8	-6,8	10Y	2,90	-2,0	-14	GBP/HUF	361,89	0,3	1,6

\* 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	1,8	1,9	2,0
		14 : 30	US	CPI (mom, SA, %)	May	0,1	0,1	0,3
		14 : 30	US	core-CPI (yoy, %)	May	2,0	2,1	2,1
		14 : 30	US	core-CPI (mom, SA, %)	May	0,1	0,2	0,1
		20 : 00	US	Federal budget balance (USDbn)	May	-208,0	-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

**Chief Economist**  
Gergely Tardos  
tardosg@otpbank.hu  
+36 1 374 7273

**Analyst**  
Balázs Lukács  
balazs.lukacs@otpbank.hu  
+36 1 354 7490

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