

Treasury Sales Team

Head of Sales

Ottó Demjén

+36 1 288 7558

Otto.Demjen@otpbank.hu

Retail

Zsigmond Csillag

+36 1 288 7556

zsigmond.csillag@otpbank.hu

Attila Keresztyén

+36 1 288 7552

KeresztyenA@otpbank.hu

István Milán Nagy

+36 1 288 7554

milan.nagy@otpbank.hu

Frigyes Soós

+36 1 288 7571

SoosF@otpbank.hu

Pál András Saághy

+36 1 288 7553

Pal.Andras.Saaghy@otpbank.hu

Institutional

Lóránt Fábrián

+36 1 288 7572

Lorant.Fabian@otpbank.hu

Szilvia Lovas

+36 1 288 7545

LovasSz@otpbank.hu

János Mladoniczki

+36 1 288 7551

MladoniczkiJ@otpbank.hu

Corporate

Nóra Ilona Gordos

+36 1 288 7549

Nora.Ilona.Gordos@otpbank.hu

János Imrei

+36 1 288 7555

janos.imrei@otpbank.hu

Csinszka Kis-Böndi

+36 1 288 7544

Kis-bondics@otpbank.hu

Roxána Kosztelnik

+36 1 288 7541

roxana.kosztelnik@otpbank.hu

Edit Kovács Gyimóti

+36 1 288 7542

KovacsGyE@otpbank.hu



Daily Report

Summary

- Broadcom lowered its revenue guidance; the sentiment soured on advanced equity markets on Friday.
- Trade war fears resurfaced, while the tension in the Gulf is intensifying.
- The EUR lost 0.6% vs the USD; the HUF slightly weakened on Friday

The world's stock markets ended the week on a sour note, with most benchmarks falling on both sides of the Atlantic. The losers of the day came from the tech sector; chip makers fell after Broadcom reduced its revenue forecast for the financial year 2019. The afternoon's uptick in stock prices allowed not more than a minor correction of the day's losses: the Dow shed 0.1%, the S&P slipped 0.2%, and the Nasdaq100 dropped 0.4%. The continued trade war concerns added to the negative sentiment, as did the escalation of the Gulf conflict. Share prices in the defensive sector, such as utilities and real estate, have increased. Gold price grew. So did oil prices, owing to the developments in the Middle East; yet oil companies' share price fell.

The sentiment also deteriorated on Europe's stock markets, where the Stoxx600 dipped 0.4%, the FTSE sank 0.3%, and the DAX slid 0.6%. Broadcom's warning dragged down Europe's chip makers: Infineon, the largest one plunged 5.4%, AMS nose-dived 7.6%, and STMicroelectronics shrank 3.2%. With trade war fears intensifying, car makers and mining companies dived: Fresnillo plunged 3.4% and BHP closed 1.0% lower.

The US dollar appreciated on Friday; the Bloomberg Dollar Spot Index rose by 0.4%, and the EUR/USD sank from 1.1276 on Thursday to 1.1208, as the euro lost 0.6%. A similar rate of GBP weakening sent the GBP/USD to 1.2589. Yields moved mixed on developed markets: the US 10Y bond and the German Bund yields sank one basis point each, the French benchmark yield dipped two basis points, and the UK 10Y reference yield upped one basis point.

In the CEE region, the Czech PX inched up 0.1%, while Hungary's BUX and Poland's WIG dropped 0.3% and 0.6% respectively on Friday. Hungarian blue chips moved mixed, with OTP gaining 1.1%, MTelekom rising 0.6%, Mol shedding 0.1%, and Richter falling 0.7%. On Friday Richter announced to pay HUF 100.21 dividend/share to shareholders, after subtracting its treasury shares, from the more than HUF 18.6 bn dividend approved by the general meeting in April.

The forint's weakening lifted the EUR/HUF closer to 322.5 on Friday, while the USD/HUF rose more than HUF 2 (+0.8%), to close above 287. Amid the hefty demand on the secondary market of Hungarian government securities; long-term yields sank by 2 to 12 basis points.

On the commodity market, gold price upped 0.1%, Brent rose by 1.1% and WTI added 0.3%. In industrial metals, copper futures shrank 1%.

Asia's markets were mixed this morning. Japan's Nikkei was seen 0.1% higher, while the Topix100 stood 0.2% in the red. China's Shanghai Composite was heading higher, and the Hang Seng gained 0.6% ahead of the close. The peaceful street protest in Hong Kong, with hundreds of thousands marching, seems to have achieved its goal: the government suspended the controversial extradition law. The small uptick in the USD/JPY reflects slight dollar firming.

The New York Fed manufacturing index is due out today. Later in the week, various central banks' interest rate decisions will be in the focus of investors' attention: the Fed meeting will end on Wednesday, while the Bank of Japan and the Bank of England will make rate decision on Thursday. The Fed is not expected to change its interest rates; the emphasis may be on its communication. An increasing number of signs point to a possible minor easing cycle to start before the end of this year. Currently markets are pricing in 98% probability of a rate hike in September.

	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	2887,0	-0,2	15,2	VIX	15,3	-3,4	-40	WTI	52,5	0,3	15,6
	DOW	26089,6	-0,1	11,8	US 2Y	1,85	2,1	-65	Brent	62,01	1,1	15,3
	Nasdaq100	7479,1	-0,4	18,2	US 10Y	2,09	0,3	-60	Gold	1341,3	0,0	4,6
	DAX	12096,4	-0,6	14,6	GER 2Y	-0,69	-2,8	-10	Silver	14,87	-0,2	-3,9
	CAC40	5367,6	-0,1	13,5	GER 10Y	-0,26	-1,3	-50	EUR/USD	1,1207	-0,6	-2,3
	FTSE 100	7345,8	-0,3	9,2	PT10Y	0,62	-0,7	-110	EUR/GBP	0,8902	0,1	-0,9
	FTSE MIB	20612,5	-0,1	12,5	IT 10Y	2,32	-5,0	-45	EUR/NOK	9,7688	-0,2	-1,4
	Stoxx600	378,8	-0,4	12,2	SP 10	0,50	-4,5	-92	USD/CAD	1,3411	0,7	-1,7
	- Banks	110,0	-1,1	-2,7	iTRAXX	61,8	0,1	-30	AUD/USD	0,6872	-0,6	-2,5
	Nikkei 225	21124,0	0,1	5,5	JPY 2Y	-0,20	0,2	-6	USD/JPY	108,55	0,2	-0,9
	SSEC	2890,4	0,3	15,9	JPY 10Y	-0,12	0,3	-13	GBP/USD	1,2590	-0,6	-1,3
Regional	RTS	1341,1	-0,4	25,8	RUS10	7,7	-0,5	-12	USD/RUB	64,368	-0,3	-7,6
	WIG20	2286,46	-0,6	0,4	POL 10	2,4	-2,1	-16	EUR/PLN	4,25	0,0	-0,8
	PX50	1051,5	0,1	6,6	CZ10	1,6	-0,1	-18	EUR/RON	4,722	0,1	1,5
Hungary	BUX	40588	0,3	3,7	3M DKJ	0,12	0,0	5	EUR/HUF	322,28	0,1	0,4
	OTP	12100	1,1	7,2	1Y	0,29	1,0	-16	USD/HUF	287,37	0,7	2,7
	MOL	3270	-0,1	6,2	3Y	1,04	-3,0	-22	CHF/HUF	287,24	0,0	0,6
	MTelekom	417	0,6	-5,2	5Y	1,71	-6,0	-82	PLN/HUF	75,65	0,0	1,4
	Richter	5065	-0,7	-6,7	10Y	2,82	-5,0	-22	GBP/HUF	361,72	-0,2	1,5

* 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.
2019 6. 17. 14 : 30	US	New York Fed Manufacturing index (points)	Jun		12,8	17,8
18. 11 : 00	DE	ZEW Economic Sentiment (points)	Jun		-5,0	-2,1
11 : 00	EZ	CPI (final, yoy, %)	May		1,2	1,2*
14 : 30	US	Housing starts (annualized monthly, '000s)	May		1300,0	1290,0
14 : 30	US	Building permits (annualized monthly, '000s)	May		1240,0	1235,0
15 : 00	EZ	Panel discussion of Janet Yellen, Mark Carney and Mario Draghi	-		-	-
19. 10 : 30	UK	Inflation (yoy, %)	May		2,0	2,1
10 : 30	UK	Core inflation (yoy, %)	May		1,7	1,8
20 : 00	US	Interest rate decision (%)	Jun		2,25-2,5	2,25-2,5
5 : 00	JP	Interest rate decision (%)	Jun		0	0
10 : 30	UK	Retail sales (mom, %)	May		-1	0
13 : 00	UK	Interest rate decision (%)	Jun		0,8	0,8
14 : 30	US	Continuing jobless claims ('000s)	weekly			1695,0
14 : 30	US	Initial jobless claims ('000s)	weekly			222,0
16 : 00	EZ	Consumer confidence (point)	Jun		-7	-7
16 : 00	US	Leading index (mom, %)	May		0,1	-0,1
21. 1 : 30	JP	CPI (yoy, %)	May			0,9
1 : 30	JP	core-CPI (yoy, %)	May		0,8	0,9
2 : 30	JP	Nikkei Manufacturing PMI (points)	Jun		-	49,8
8 : 30	HU	Balance of payments (quarterly, EURm)	Q1			-0,3
9 : 15	FR	Markit Manufacturing PMI (points)	Jun		50,5	50,6
9 : 15	FR	Markit Service PMI (points)	Jun		51,3	51,5
9 : 30	DE	Markit Manufacturing PMI (points)	Jun		44,5	44,3
9 : 30	DE	Markit Service PMI (points)	Jun		55	55
10 : 00	EZ	Markit Manufacturing PMI (points)	Jun		48	48
10 : 00	EZ	Markit Service PMI (points)	Jun		53,0	52,9
15 : 45	US	Markit Manufacturing PMI (points)	Jun			50,5
15 : 45	US	Markit Service PMI (points)	Jun			50,9
16 : 00	US	Existing home sales (mom, %)	May		5240	5190

*preliminary data

Sources: Reuters, OTP Research

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

Analyst
Orsolya Rátkai
ratkaio@otpbank.hu
+36 1 374 7270

Disclaimer

1. **The statements in this document shall not be considered as an objective or independent explanation of the matters. Please note that this document (a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and (b) is not subject to any prohibition on dealing ahead of the dissemination or publication of investment research.**
2. This communication does not contain a comprehensive analysis of the described issues. No part, chapter, or the entirety of this information shall be considered as investment recommendation, an offer or solicitation for the purchase or sale of any financial instrument, inducement to invest, financial or investment analysis, investment research or marketing communication, not even if any part of this document contains a description of a certain financial instrument in terms of its possible price or yield development, and the related investment options; the data herein are for informational purposes only. This document shall not be considered as investment recommendation falling under Directive 596/2014/EU of the European Parliament and of the Council. This document does not take into account investors' individual interests, circumstances, or objectives; therefore, in the absence of personal recommendation, it shall not be considered as investment advice. OTP Bank intends to make this document available to its clients or to the public, or to make it accessible to other persons in such a way that allows this document to be disseminated to the public.
3. Information herein reflects the market situation at the time of writing. However, it provides only momentary information and may change as market conditions and circumstances develop. You may request more information from OTP Bank. Although the information in this document has been prepared in good faith from sources that OTP Bank believes to be reliable, we do not represent or warrant its accuracy or completeness. This document was prepared using data, facts and information from the following essential sources: Bloomberg, Reuters, KSH (Hungarian Central Statistical Office), Eurostat, Magyar Nemzeti Bank (Hungary's central bank) ÁKK (Hungary's Government Debt Management Agency), and European Central Bank (ECB). The opinions and estimates in this document are based on the opinion of OTP Research's analyst(s) at the time when the document was prepared, and they may be subject to change at any time in the future without further notice. You may receive different recommendation from the staff of OTP Bank, in particular if you are provided investment advice based on an investment advice agreement.
4. This publication contains generic presentation of information and knowledge, thus it does not take into account the individual clients' unique and special interests, financial condition, or their ability and willingness to take risks. Therefore please contact our staff or contact your banking consultant for advice before you make an investment decision. The assessment and the consideration of the individual circumstances is provided by the suitability and appropriateness tests that assess clients' financial knowledge, experience, risk-taking abilities, as well as the examination of the target market.
5. Before making an informed decision to invest and to use the services, please carefully read through all documents, including the documentation, prospectus, regulations, terms and conditions, announcements and key information documents for that product/service, and carefully consider the subject, the risk, the fees and costs of your investment, the possibility of any loss, and seek information about the tax regulations regarding the product and the investment. The prices of financial instruments and securities are changing, outright sales are realized at then current market prices, which may involve losses. The information and opinions in this document do not substitute or take the place of the issuance documentation for the given financial assets (e.g. prospectus, fund management rules), or their brochures or announcements.
6. You assume total responsibility and risk for any specific decision or investment; OTP Bank shall not be held responsible for the effectiveness of investment decisions or for reaching your purpose, nor for the individual investment decision made based on this document or any part thereof, or for their consequences. Investments in financial instruments carry a certain degree of risk, which may affect the effectiveness of the investment decision, and investors may not receive the whole amount they expected the investment to yield in their investment targets; they may not preserve even the invested amount, therefore the invested capital might even decrease, be wholly lost, or even lead to additional payment obligation.
7. Trading with leveraged products (such as foreign exchange contracts) or with shares and indices that have underlying products carries a considerable amount of risk, and these products are not suitable for all investors. Trading with leveraged products carries the risk of losing all capital, and it may incur losses that exceed the amount invested.
8. **The figures and information described herein refer to yields or changes in the past. Past performance is not a reliable indicator of future yields, changes, or performance.** The changes on money and capital markets, the fluctuation of prices, the development of investments and their yields are influenced by the combined effect of multiple factors; one important factor of them is the change in investors' expectations. **The development of prices, the future yield of financial assets, indices or indicators, the examination of their changes, trends, and future performance is based on estimations and forecasts, which forecasts do not allow reliable conclusions to be drawn about the future moves of prices, real future yields, changes, or performance.** For each product and service, please assess their tax accounting implications, and other tax consequences, taking into account that they cannot be precisely assessed without knowing the effective tax regulations or the client's individual circumstances; and these legislative provisions as well as the circumstances may change over time.
9. This document shall not be a basis for any further analysis in relation to the financial instruments contained therein. Any reference in this document to the future distribution of a financial instrument shall be construed as indicative, preliminary and informative, and any analysis of such financial instrument is exclusively based on publicly available information listed in the respective prospectus or announcement. The content of this document shall not imply that OTP Bank acts as an agent, a fiduciary, or an advisor to, or on behalf of, any prospective purchaser of the financial instruments discussed herein.
10. For certain persons, access to the products and/or services discussed in this document may not be granted, or it may be limited. The act of preparing this document by OTP Bank, its uploading to the website, its publication may under no circumstances be considered as OTP Bank's intention to make available the product and/or service information in the prospectus to persons whom any country or state prohibits from having or obtaining the given product and/or service, including the promotion and the advertisement thereof.

11. OTP Bank maintains a conflict of interest policy and it keeps such records, and it also has requirements that regulate the transmission of bank secrets and securities secrets, which requirements shall be considered as the effective internal organizational and management solutions as well as information barriers to prevent or manage conflicts of interest.
OTP Bank has developed appropriate internal procedures for (i) the personal transactions and trading of financial analysts and other relevant persons, (ii) the physical separation of the financial analysts involved in the production of investment research and other relevant persons; moreover, information barriers have been implemented, (iii) for accepting and managing incentives and remuneration.
Please be informed that OTP Bank is entitled to deal or trade as market maker, acting in good faith and in accordance with the usual way of market-making, with the financial instruments distributed by the issuer(s) specified in this document, as well as to provide other investment activities or ancillary (investment) services, and/or other financial or ancillary financial services to the issuer and other persons.
12. Previous documents on investing in this asset or product are available on the website of OTP Research: www.otpresearch.com
13. OTP Bank (company registration number: 01-10-041-585; registered seat: Nádor utca 16., Budapest H-1051, Hungary. Supervisory authority: Magyar Nemzeti Bank (National Bank of Hungary – H-1054 Budapest, Szabadság tér 9); financial customer services: H-1013 Budapest, Krisztina krt. 39. PSZÁF licence numbers: III/41.003-22/2002 and E-III/456/2008; further information: <https://www.otpbank.hu/portal/hu/Megtakaritas/Ertekpapir/MIFID>).
All rights reserved. This document is solely owned by OTP Bank. No part of this material can be reproduced, re-used, disseminated, made available, re-published, referenced to, or inserted in other websites or services without the prior written consent of OTP Bank.
14. If you received this document from OTP Bank Plc, then it was sent to you with your previous consent. You may withdraw this permission by sending an e-mail to research@otpbank.hu or by writing a letter to 'Research Center', Hungary H-1051, Budapest, Nádor utca 21. Please refer to your name and e-mail address in both cases.
Data management registration number: NAIH-89457/2015
15. The personal data in this investment research are processed by OTP Bank. The legal basis for processing the data is the legitimate interest of OTP Bank. The detailed information about the processing of personal data and the related rights of data subjects is available [here](#).

This document was prepared on 17 June 2019.

Disclaimer for OTP Bank Romania S.A. customers

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centred on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses,

detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to newsletters@otpbank.ro or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.