

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 Fábián

+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

- Wednesday's trading sentiment was supportive in the USA, while Europe was mostly ailing.
- The Fed held interest rate decision yesterday.
- Boris Johnson won a new round of the Tory leadership race, by a large margin.
- The USD has weakened.

America's stock indices closed with gains on Wednesday, when the Dow inched up 0.1%, the S&P500 added 0.3%, and the Nasdaq100 grew by 0.4%. The Fed's post-meeting statement and the dovish message in the subsequent press briefing benefited the sentiment. In the corporate world, one of the winners of the day was Adobe. The software company's shares rallied 5.2% as its earnings data exceeded analysts' expectations. Facebook shares lost 0.5%, following criticism of its cryptocurrency, from US politicians and the regulatory authorities.

Europe's key stock indices did not fare well on Wednesday. London's FTSE100 fell 0.5%, Germany's DAX shed 0.2%, the pan-European Stoxx600 stagnated, while France's CAC40 inched up 0.2%. Financial companies fared well on Wednesday; the sector's index grew by 1.4%. The auto industry also advanced: the sector index upped 1% as the USA-China trade war conflict seems to ease, ahead of the G20 meeting.

Hungary's BUX edged 0.1% higher. Magyar Telekom and Mol grew by 0.2% and 0.6% each, while OTP dipped 0.2% and Richter fell 2.5%.

The FOMC's two-day meeting concluded by leaving the key interest rates on hold, as expected. The accompanying statement said rate cuts were not likely in 2019, but added that central bankers would closely monitor signs of muted inflation and growing uncertainty. Monetary policy decision-makers wanted to dampen market expectations of rate cuts while leaving enough room for a monetary easing. The Fed acknowledged the 'uncertainties' that surround economic growth, referring to the USA-China trade war's negative effect on US exporters, and to the disappointing employment figure for May. The central bank reduced its 2019 inflation forecast from 1.8% to 1.5%, and does not expect consumer price growth to reach 2% by 2021. Speaking at the post-meeting press conference, Chair Jerome Powell made a clearly 'dovish' statement, pointing out the Fed's commitment to supporting economic growth. This is a strong indication that monetary policy decision-makers are ready to cut interest rates if needed.

The Tory leadership race continued with the third ballot on Wednesday. The most likely winner, Boris Johnson won 143 votes from the 313-strong faction. Two ballots are due today, narrowing down the number of candidates to two.

Having made a short visit to above-324 levels, the EUR/HUF closed near 323.5 on Wednesday. The Fed's post-meeting message led to the USD's weakening; the EUR/USD grew by 0.3%. The 10Y US Treasury Note yield came down 3.1 basis points, and that of the 2Y bond fell 9.6 bps.

The Bank of England is to hold interest rate decision today. Statistics on US unemployment claims, as well as the eurozone's consumer confidence index are due out 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	2926,5	0,3	16,7	VIX	14,3	-5,4	-44	WTI	53,8	-0,3	18,4
	DOW	26504,0	0,1	13,6	US 2Y	1,77	-9,6	-73	Brent	61,82	-0,5	14,9
	Nasdaq100	7667,7	0,4	21,1	US 10Y	2,03	-3,1	-66	Gold	1359,9	1,0	6,0
	DAX	12308,5	-0,2	16,6	GER 2Y	-0,71	2,9	-12	Silver	15,16	1,0	-2,1
	CAC40	5518,5	0,2	16,7	GER 10Y	-0,29	3,7	-53	EUR/USD	1,1224	0,3	-2,1
	FTSE 100	7403,5	-0,5	10,0	PT10Y	0,58	4,1	-114	EUR/GBP	0,8879	-0,4	-1,2
	FTSE MIB	21221,4	0,4	15,8	IT 10Y	2,12	1,6	-65	EUR/NOK	9,7684	-0,1	-1,4
	Stoxx600	384,8	0,0	14,0	SP 10	0,41	1,7	-101	USD/CAD	1,3278	-0,7	-2,6
	- Banks	112,8	1,6	-0,2	iTRAXX	55,0	-2,7	-38	AUD/USD	0,6881	0,1	-2,4
	Nikkei 225	21462,9	0,6	7,2	JPY 2Y	-0,23	-1,5	-9	USD/JPY	108,09	-0,3	-1,3
SSEC	2977,1	2,0	19,4	JPY 10Y	-0,16	-3,0	-17	GBP/USD	1,2639	0,7	-0,9	
Regional	RTS	1361,1	0,1	27,7	RUS10	7,5	-1,3	-15	USD/RUB	63,717	-0,4	-8,6
	WIG20	2319,71	-0,2	1,9	POL 10	2,4	1,1	-17	EUR/PLN	4,26	0,1	-0,6
	PX50	1057,6	0,2	7,2	CZ10	1,6	0,5	-19	EUR/RON	4,728	0,2	1,6
Hungary	BUX	40980	0,1	4,7	3M DKJ	0,17	1,0	10	EUR/HUF	323,22	0,0	0,7
	OTP	12000	-0,2	6,3	1Y	0,31	0,0	-14	USD/HUF	287,96	-0,2	2,9
	MOL	3166	0,6	2,9	3Y	1,02	3,0	-24	CHF/HUF	290,10	0,6	1,6
	MTelekom	423	0,4	-4,0	5Y	1,66	4,0	-87	PLN/HUF	75,91	0,1	1,8
	Richter	5110	-2,5	-5,9	10Y	2,77	7,0	-27	GBP/HUF	365,08	0,8	2,5

* 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	-8,6	12,8	17,8
		18. 11 : 00	DE	ZEW Economic Sentiment (points)	Jun	-21,1	-5,9	-2,1
		11 : 00	EZ	CPI (final, yoy, %)	May	1,2	1,2	1,2*
		14 : 30	US	Housing starts (annualized monthly, '000s)	May	1269	1239	1235
		14 : 30	US	Building permits (annualized monthly, '000s)	May	1294	1296	1290
		15 : 00	EZ	Panel discussion of Janet Yellen, Mark Carney and Mario Draghi	-	-	-	-
	19.	10 : 30	UK	Inflation (yoy, %)	May	2,0	2,0	2,1
		10 : 30	UK	Core inflation (yoy, %)	May	1,7	1,7	1,8
		20 : 00	US	Interest rate decision (%)	Jun	2,25-2,5	2,25-2,5	2,25-2,5
		5 : 00	JP	Interest rate decision (%)	Jun	-0,1	-0,1	-0,1
		10 : 30	UK	Retail sales (mom, %)	May		-0,5	0,0
		13 : 00	UK	Interest rate decision (%)	Jun		0,75	0,75
		14 : 30	US	Continuing jobless claims ('000s)	weekly		1688	1695
		14 : 30	US	Initial jobless claims ('000s)	weekly		220	222
		16 : 00	EZ	Consumer confidence (point)	Jun		-6,5	-6,5
		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		50,7	50,6
		9 : 15	FR	Markit Service PMI (points)	Jun		51,5	51,5
		9 : 30	DE	Markit Manufacturing PMI (points)	Jun		44,5	44,3
		9 : 30	DE	Markit Service PMI (points)	Jun		55,4	55,4
		10 : 00	EZ	Markit Manufacturing PMI (points)	Jun		48,0	47,7
		10 : 00	EZ	Markit Service PMI (points)	Jun		52,9	52,9
		15 : 45	US	Markit Manufacturing PMI (points)	Jun		50,4	50,5
		15 : 45	US	Markit Service PMI (points)	Jun		51,0	50,9
		16 : 00	US	Existing home sales (mom, %)	May		5250	5190

*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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This document was prepared on 20 June 2019.

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