

Europe closed in the red

In Wednesday's unenthusiastic trading in Europe, Germany's DAX shed 1%, France's CAC40 dropped 1.2%, and the FTSE100 closed 0.5% lower. In the CEE region, Poland's WIG20 fell 0.7%, while the BUX rose by 0.5% as MOL increased by 2.4%, Richter added 0.6%, while OTP inched 0.2% down and MTelekom slipped 0.5%.

Tesla is 'very close' to achieving level 5 autonomous driving technology, that is, navigating roads without human input, CEO Elon Musk said. Ford's sales in China expanded by 3% in Q2, after slumping 26% in 2019, and sliding 37% in 2018. In comparison, General Motors' sales contracted by 5.3% in Q2. In China, car sales have been rising since April, and year-over-year growth may have hit 11% in June. Audi's sales increased by 25% year/year in Q2, including more than 50% slump in Europe, and 35% plunge in the USA.

US stock markets made it into positive territory

America's stock markets moved sideways for most of the day, but ended the day with gains. The S&P500 and Russell 2000 rose by 0.8% each, and the Nasdaq100 upped 1.4%. Within the S&P500's subsectors, IT, cyclical consumer goods, and the finance sectors outperformed, while industrial raw materials were underperforming.

The number of confirmed coronavirus cases has reached 12 million in the world. Several US states partially tightened previously relaxed rules, but there are no lockdowns or business closures.

The dollar weakened, precious metal prices rose; the MNB provided less collateralized loans than expected

In Wednesday's 5Y collateralized loan tender, Hungary's MNB accepted bids for HUF 60 billion only, less than HUF 70 billion in previous weeks.

The forint weakened slightly against the euro, but the EUR/HUF closed below 355. As the euro strengthened by 0.5% against the dollar, the USD/HUF also dropped 0.5%. The dollar weakened 0.6% against the pound sterling and 0.2% versus the yen.

Yields on 10Y US, Spanish and Italian government bonds edged lower, that of Germany rose by half basis point, while Japan's 10Y yield remained broadly flat.

The price of WTI and Brent grew by 1.2% and 0.5%, respectively. In precious metals, gold rose 0.9% and silver surged 2.6%.

Taking after America, Asia picked up

In today's trading, Japan's Nikkei and China's SSEC gained nearly 1% each. Index futures suggest that Europe's and America's stock markets may open with gains today.

Today's highlights

In Europe, Germany is to release exports figures. The USA's job market data will reveal how much continued jobless claims subsided.

In Hungary, the MNB's one-week deposit auction is worth checking, particularly as the central bank has reduced the volume of 5Y loans. The ÁKK's auctions are also worth checking, to see whether the lower amount of the MNB's 5Y secured loans has any effect on them.

	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	3169.9	0.8	-1.9	VIX	28.1	-4.6	104	WTI	40.9	1.2	-33.0
	DOW	26067.3	0.7	-8.7	US 2Y	0.16	-1	-141	Brent	43.29	0.5	-34.4
	Nasdaq100	10666.7	1.4	22.1	US 10Y	0.65	1	-126	Gold	1810.1	0.9	19.3
	DAX	12494.8	-1.0	-5.7	GER 2Y	-0.67	0	-7	Silver	18.77	2.6	5.3
	CAC40	4981.1	-1.2	-16.7	GER 10Y	-0.44	-2	-25	EUR/USD	1.1329	0.5	1.1
	FTSE 100	6156.2	-0.5	-18.4	PT10Y	0.41	0	-4	EUR/GBP	0.8982	-0.1	6.2
	FTSE MIB	19899.5	-0.6	-15.3	IT 10Y	1.28	-1	-15	EUR/NOK	10.631	-0.7	8.1
	Stoxx600	366.5	-0.7	-11.9	SP 10	0.42	-1	-5	USD/CAD	1.3510	-0.7	4.0
	- Banks	81.9	-1.3	-31.8	iTRAXX	62.3	0	41	AUD/USD	0.6982	0.5	-0.6
	Nikkei 225	22670.2	0.9	-4.2	JPY 2Y	-0.13	0	-1	USD/JPY	107.25	-0.2	-1.3
SSEC	3438.6	1.0	12.7	JPY 10Y	0.02	0	4	GBP/USD	1.2609	0.6	-4.9	
Regional	RTS	1245.5	-0.2	-19.6	RUS10	5.9	-1	-6	USD/RUB	71.101	-0.1	14.8
	WIG20	1788.22	-0.7	-16.8	POL 10	1.4	-1	-36	EUR/PLN	4.47	0.0	5.1
	PX50	938.9	0.2	-15.8	CZ10	0.8	-1	-52	EUR/RON	4.838	0.0	1.1
Hungary	BUX	35932	0.5	-22.0	3M DKJ	0.23	1	16	EUR/HUF	354.35	0.1	7.0
	OTP	10920	-0.2	-29.2	1Y	0.39	-1	31	USD/HUF	312.80	-0.5	6.0
	MOL	1866	2.4	-36.5	3Y	1.09	0	73	CHF/HUF	334.06	0.3	9.7
	MTelekom	381	-0.5	-14.6	5Y	1.43	-2	18	PLN/HUF	79.18	0.1	1.7
	Richter	6695	0.6	4.4	10Y	2.41	-3	33	GBP/HUF	394.53	0.0	1.1

* 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.		
2020	7. 6.	8 : 00	DE	Industrial orders (MoM, %)	May	10.4	15.0	-26.2	
		9 : 00	HU	Retail sales (YoY, SA, %)	May	-3.1	-	-10.2	
		10 : 30	EZ	Sentix Investor confidence (points)	Jul	-18.2	-10.9	-24.8	
		11 : 00	EZ	Retail sales (MoM, %)	May	17.8	15.0	-11.7	
		15 : 00	HU	FX-swap tender (maturing / stock bn HUF)	-	23,65/1795	-	23,65/1818	
		16 : 00	US	ISM non-Manufacturing PMI (points)	Jun	57.1	50.1	45.4	
		7.	8 : 00	DE	Industrial production (MoM, %)	May	7.8	10.0	-17.9
			9 : 00	HU	Industrial production (preliminary, YoY, %)	May	-30.7	-24.4	-36.8
			9 : 00	HU	Guest nights in tourist acc. (y/y, %)	May	-93.0	-	-97.0
			10 : 00	HU	International reserves (preliminary, EURbn)	Jun	30.2	-	29.1
		10 : 00	IT	Retail sales (m/m, SA, %)	May	24.3	-	-10.5	
		13 : 00	HU	MNB gov't bond purchase auction	-	-	-	-	
	8.	9 : 00	HU	Inflation (YoY, %)	Jun	2.9	3.0	2.2	
		9 : 00	HU	Core inflation (YoY, SA, %)	Jun	4	4.0	4.0	
		11 : 00	HU	Fiscal balance (monthly, billion HUF)	Jun	-785.5	-	-324.1	
		15 : 00	HU	5Y collateralized loan w fixed interest rate, tender (HUFbn)	-	60.0	-	70.0	
	9.	8 : 00	DE	Export (MoM, SA, %)	May		13.80	-24.0	
		9 : 00	HU	Trade balance (preliminary, monthly, EUR mn)	May		-281.0	-561.0	
		14 : 30	US	Continuing jobless claims ('000s)	weekly		18950	19290	
		14 : 30	US	Initial jobless claims ('000s)	weekly		1375	1427	
		15 : 00	HU	1W deposit w fixed interest rate, tender (HUFbn)	-		-	1680	
	10.	8 : 45	FR	Industrial production (MoM, %)	May		15.0	-20.1	
		10 : 00	IT	Industrial production (m/m, SA, %)	May		19.2	-19.1	

Sources: Reuters, OTP Research

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