

## Treasury Sales Team

### Headquarter Treasury Sales

**Alexandru Tibuleac**  
0372 31 85 85  
alexandru.tibuleac@otpbank.ro

**Ionut Constandache**  
0372 31 85 86  
ionut.constandache@otpbank.ro

**Corina Bejan**  
0372 31 85 87  
corina.bejan@otpbank.ro

**Andreea Nica**  
0755 000 106  
andreea.nica@otpbank.ro

### Regional Treasury Sales

**Szilamer Kozma - Cluj**  
0755 000 400  
szilamer.kozma@otpbank.ro

**Tudor Zaman - Bucuresti**  
0755 000 199  
tudor.zaman@otpbank.ro

**Alexandru Sabin - Arad**  
0755 000 255  
alexandru.sabin@otpbank.ro



# Global Daily Report

### Summary

- America's key stock indices went to record highs yesterday.
- Crude futures upped 1%.
- Today's meeting of the FOMC is expected to raise interest rates by 25 bps.

Recovering from Monday's ailing, most stock indices in Europe and America closed higher on Tuesday, with the exception of London's FTSE100 (-0.2%). The strongest sector of the S&P500 was base materials. Another strong contributor was technology, which fuelled the growth of the Stoxx600 too. Rising 0.4% took the Dow to an all-time peak; the NASDAQ100 and the S&P500 also closed at their highest on record. In Asia's, the Shanghai Composite was the weakest index this morning, closing 0.8% in the red. The pale performance may be put down to China's weaker-than-expected investment growth figure, published in the small hours of Wednesday (European time).

The USD gained 0.1% versus the yen, pushing the USD/JPY to 110.0, while the EUR/USD barely changed yesterday, closing at 1.12.

Rising 1%, the WTI traded at USD 46.5 by the end of the day; the Brent closed at USD 48.8, despite OPEC's most recent monthly report, which suggests that, producing 4.4 million barrels of oil in May, Iraq violated the agreement signed in December. In industrial metals, tin's price surged nearly 2%, while the 0.7% contraction in copper futures marked the sharpest fall.

On Tuesday Fitch presented its latest review on emerging economies, finding that the pressure on the banking systems of the global emerging markets has meaningfully eased owing to the gradual improvement of the operating environment.

Today's most important event is the Fed Open Market Committee meeting, and the subsequent press conference. Markets expect another 25-basis-pontos interest rate hike, raising the fed funds rate to 1-1.25%. The May readings of the consumer price index will be out in the USA.

|          | 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       | 2440,4  | 0,5              | 9,0     | VIX          | 10,4  | -9,1          | -26     | WTI            | 46,46  | 0,4              | -13,5   |
|          | DOW          | 21328,5 | 0,4              | 7,9     | US 2Y        | 1,36  | 0,4           | 17      | Brent          | 48,72  | 0,9              | -14,3   |
|          | Nasdaq100    | 5751,8  | 0,8              | 18,3    | US 10Y       | 2,21  | -0,6          | -23     | Gold           | 1265,4 | 0,0              | 9,9     |
|          | DAX          | 12765,0 | 0,6              | 11,2    | GER 2Y       | -0,70 | 1,4           | 9       | Silver         | 16,86  | -0,4             | 5,8     |
|          | CAC40        | 5261,7  | 0,4              | 8,2     | GER 10Y      | 0,27  | 0,7           | 6       | EUR/USD        | 1,1214 | 0,1              | 6,7     |
|          | FTSE 100     | 7500,4  | -0,2             | 5,0     | PT10Y        | 2,93  | -5,4          | -83     | EUR/GBP        | 0,8787 | -0,7             | 3,2     |
|          | FTSE MIB     | 21088,8 | 0,9              | 9,6     | IT 10Y       | 1,98  | -4,0          | 15      | EUR/NOK        | 9,4480 | -0,5             | 4,0     |
|          | Stoxx600     | 388,8   | 0,6              | 7,6     | SP 10        | 1,43  | -0,9          | 4       | USD/CAD        | 1,3240 | -0,6             | -1,4    |
|          | - Banks      | 152,3   | 0,4              | 13,5    | iTRAXX       | 57,1  | -1,9          | -21     | AUD/USD        | 0,7535 | -0,1             | 4,4     |
|          | Nikkei 225   | 19883,5 | -0,1             | 4,0     | JPY 2Y       | -0,11 | -0,1          | 7       | USD/JPY        | 110,05 | 0,1              | -5,8    |
| SSEC     | 3130,4       | -0,7    | 0,9              | JPY 10Y | 0,07         | 0,0   | 2             | GBP/USD | 1,2750         | 0,8    | 3,4              |         |
| Regional | RTS          | 1031,0  | -1,0             | -10,5   | RUS10        | 7,58  | -0,1          | -10     | USD/RUB        | 57,001 | -0,1             | -7      |
|          | WIG20        | 2302,41 | 0,3              | 18,2    | POL 10       | 3,17  | 1,0           | -13     | EUR/PLN        | 4,1913 | 0,0              | -4,8    |
|          | PX50         | 1001,3  | -0,3             | 8,6     | CZ10         | 0,78  | -3,1          | 67      | EUR/RON        | 4,5640 | 0,1              | 0,6     |
| Hungary  | BUX          | 35589   | 0,7              | 11,2    | 3M TB        | 0,15  | 0             | -1      | EUR/HUF        | 305,99 | -0,4             | -0,9    |
|          | OTP          | 9170    | 2,5              | 9,2     | 1Y           | 0,20  | 0             | 2       | USD/HUF        | 273,12 | -0,4             | -6,9    |
|          | MOL          | 22305   | 0,0              | 8,1     | 3Y           | 0,81  | -1            | -5      | CHF/HUF        | 281,78 | -0,5             | -2,1    |
|          | MTelekom     | 471     | 0,4              | -5,4    | 5Y           | 1,89  | -2            | 12      | PLN/HUF        | 73,020 | -0,4             | 4,2     |
|          | Richter      | 6959    | -0,2             | 12,1    | 10Y          | 3,01  | -1            | -19     | GBP/HUF        | 348,13 | 0,2              | -4      |

\* In the case of bond yields, the change is in basis points instead of percentage (VIX and ITRAXX not included).

| Data                | Cd. | Event/Data   | Period | Fact  | Cons.    | Prev.    |
|---------------------|-----|--|--------|-------|----------|----------|
| 2017 6. 12. 20 : 00 | US  | Federal budget balance (USDbn)                     | May    | -88,0 | -        | 182      |
| 13. 10 : 30         | UK  | Inflation (yoy, %)                                 | May    | 2,9   | 2,7      | 2,7      |
| 11 : 00             | DE  | ZEW Economic Sentiment (points)                    | June   | 18,6  | 21,5     | 20,6     |
| 14. 4 : 00          | CN  | Infrastructural spending (yoy, %)                  | May    | 8,6   | 8,8      | 8,9      |
| 4 : 00              | CN  | Industrial production (yoy, %)                     | May    | 6,5   | 6,3      | 6,5      |
| 4 : 00              | CN  | Retail sales (yoy, %)                              | May    | 10,7  | 10,6     | 10,7     |
| 8 : 00              | DE  | CPI (final, yoy, %)                                | May    | 1,5   | 1,5      | 1,5*     |
| 9 : 00              | HU  | Industrial production (second estimate, yoy, %)    | Apr.   |       | -        | -3,0*    |
| 11 : 00             | EZ  | Industrial production (mom, %)                     | Apr.   |       | 0,4      | -0,1     |
| 14 : 30             | US  | CPI (yoy, %)                                       | May    |       | 2,1      | 2,2      |
| 14 : 30             | US  | CPI (mom, %)                                       | May    |       | 0        | 0,2      |
| 14 : 30             | US  | core-CPI (yoy, %)                                  | May    |       | 1,9      | 1,9      |
| 14 : 30             | US  | core-CPI (yoy, %)                                  | May    |       | 0,2      | 0,1      |
| 14 : 30             | US  | Retail sales (mom, %)                              | May    |       | 0,2      | 0,4      |
| 16 : 00             | US  | Business inventories (mom, %)                      | Apr.   |       | 0,2      | 0,2      |
| 20 : 00             | US  | Interest rate decision (%)                         | June   |       | 1,0-1,25 | 0,75-1,0 |
| 15. 9 : 00          | HU  | Construction output (yoy, %)                       | Apr.   |       | -        | 33,3     |
| 10 : 30             | UK  | Retail sales (mom, %)                              | May    |       | -0,8     | 2,3      |
| 13 : 00             | UK  | Interest rate decision (%)                         | June   |       | 0,25     | 0,25     |
| 14 : 30             | US  | New York Fed Manufacturing index (points)          | June   |       | 1        | -1       |
| 15 : 15             | US  | Industrial production (mom, %)                     | May    |       | 0,2      | 1        |
| 16. 6 : 00          | JP  | Interest rate decision (%)                         | June   |       | 0        | 0        |
|                     | EZ  | CPI (final, yoy, %)                                |        |       | 1,4      | 1,4*     |
| 14 : 30             | US  | Housing starts (annualized monthly, '000s)         | May    |       | 1215,0   | 1172     |
| 14 : 30             | US  | Building permits (annualized monthly, '000s)       | May    |       | 1248     | 1228     |
| 16 : 00             | US  | Michigan Consumer confidence (preliminary, points) | June   |       | 97,1     | 97,1     |
| 11.                 | FR  | Parliamentary elections (2nd round)                |        |       | -        | -        |

\*preliminary data

Source: Reuters, OTP Research

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

**Analyst**  
Beáta Váradi  
varadibe@otpbank.hu  
+36 1 374 7271

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