

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

- Stock markets fell worldwide yesterday
- The USD firmed and US government securities' yields have risen since the Fed's decision
- The Bank of England's rate hike seems a less distant prospect; the GBP is recovering

Stock markets closed in the red on Thursday; the DAX fell 0.9% after Wednesday's record high. On emerging markets, the drop in Russia's RTS may be put down to the sinking oil prices and to the US Senate's new legislation that tightened the sanctions on Russia and narrowed President Trump's elbow-room in easing the existing sanctions. Asia's stock markets closed mixed this morning; index futures bode well for Europe's opening today.

In sync with the plunge on stock markets, commodity prices also slipped; the Brent declined 0.4%.

The Fed's interest rate hike and its communication on the forthcoming balance sheet normalization did work: the USD strengthened, gaining 0.6% ground from the EUR and 1% versus the JPY. The pound sterling also picked up after the Bank of England's rate decision, it appreciated 0.7% versus the EUR. Although the BoE left its base rate on hold, more decision-makers voting for interest rate hike than analysts had thought.

German and US government bond yields climbed higher yesterday; that on the 10Y US Treasury Note has marched six points higher since the Fed's decision.

The UK released pale retail trade statistics yesterday, with volumes falling sharper than had been thought. The Empire State Manufacturing Index fared well, suggesting that the sector is likely to recover in the coming months. The Bank of Japan left its benchmark rate on hold and signified to maintain loose monetary conditions – with no signal of abandoning it.

Today housing markets are due out in the USA. Elsewhere, the Eurostat will publish wage cost data. The rate-setting meeting of Central Bank of Russia may cut interest rate by 25 or 50 basis points.

	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	2432,5	-0,2	8,6	VIX	10,9	2,4	-22	WTI	44,46	-0,4	-17,2
	DOW	21359,9	-0,1	8,1	US 2Y	1,36	1,2	16	Brent	46,92	-0,2	-17,4
	Nasdaq100	5700,9	-0,5	17,2	US 10Y	2,16	2,4	-27	Gold	1253,5	-0,6	8,9
	DAX	12691,8	-0,9	10,5	GER 2Y	-0,64	4,8	15	Silver	16,71	-0,9	4,9
	CAC40	5216,9	-0,5	7,3	GER 10Y	0,29	5,6	8	EUR/USD	1,1143	-0,7	6,0
	FTSE 100	7419,4	-0,7	3,9	PT10Y	2,86	3,1	-90	EUR/GBP	0,8737	-0,6	2,6
	FTSE MIB	20847,5	-0,5	8,4	IT 10Y	1,98	4,4	15	EUR/NOK	9,4785	0,4	4,3
	Stoxx600	386,1	-0,4	6,8	SP 10	1,42	4,2	2	USD/CAD	1,3268	0,2	-1,2
	- Banks	149,8	-0,9	11,7	iTRAXX	57,0	1,3	-21	AUD/USD	0,7576	-0,1	5,0
	Nikkei 225	19943,3	0,5	4,3	JPY 2Y	-0,12	-0,4	6	USD/JPY	110,91	1,2	-5,1
SSEC	3130,4	-0,1	0,9	JPY 10Y	0,06	0,1	1	GBP/USD	1,2754	0,0	3,4	
Regional	RTS	992,0	-2,2	-13,9	RUS10	7,70	1,2	-8	USD/RUB	57,846	0,8	-6
	WIG20	2295,99	0,0	17,9	POL 10	3,14	0,0	-13	EUR/PLN	4,2291	0,8	-4,0
	PX50	996,7	-0,3	8,2	CZ10	0,86	10,0	84	EUR/RON	4,5827	0,2	1,1
Hungary	BUX	35535	-1,3	11,0	3M TB	0,11	1	-5	EUR/HUF	307,79	0,7	-0,3
	OTP	9150	-1,6	8,9	1Y	0,20	0	2	USD/HUF	276,27	1,3	-5,9
	MOL	21700	-1,5	5,2	3Y	0,82	1	-4	CHF/HUF	283,14	1,0	-1,7
	MTelekom	468	-1,7	-6,0	5Y	1,86	-2	9	PLN/HUF	72,770	0,0	3,9
	Richter	7145	-0,8	15,1	10Y	3,01	4	-19	GBP/HUF	352,29	1,5	-2

* 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
	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
	CN	Industrial production (yoy, %)	May	6,5	6,3	6,5
	CN	Retail sales (yoy, %)	May	10,7	10,6	10,7
	DE	CPI (final, yoy, %)	May	1,5	1,5	1,5*
	HU	Industrial production (second estimate, yoy, %)	Apr.	-3,0	-	-3,0*
	EZ	Industrial production (mom, %)	Apr.	0,5	0,5	-0,1
	US	CPI (yoy, %)	May	1,9	2	2,2
	US	CPI (mom, %)	May	-0,1	0	0,2
	US	core-CPI (yoy, %)	May	1,7	1,9	1,9
	US	core-CPI (yoy, %)	May	0,1	0,2	0,1
	US	Retail sales (mom, %)	May	-0,3	0,1	0,4
	US	Business inventories (mom, %)	Apr.	-0,2	-0,2	0,2
	US	Interest rate decision (%)	June	1,0-1,25	1,0-1,25	0,75-1,0
15. 9 : 00	HU	Construction output (yoy, %)	Apr.	22,1	-	33,3
	UK	Retail sales (mom, %)	May	-1,2	-0,8	2,3
	UK	Interest rate decision (%)	June	0,3	0,25	0,25
	US	New York Fed Manufacturing index (points)	June	19,8	1,0	-1,0
	US	Industrial production (mom, %)	May	0,0	0,2	1,0
16. 6 : 00	JP	Interest rate decision (%)	June	-0,1	-0,1	-0,1
	EZ	CPI (final, yoy, %)	May		1,4	1,4*
	US	Housing starts (annualized monthly, '000s)	May		1215,0	1172
	US	Building permits (annualized monthly, '000s)	May		1248	1228
	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
Gábor Pellényi
pellenyig@otpbank.hu
+36 1 374 7276

Disclaimer

OTP Bank Plc. 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 material is only for information purposes and it is not intended as an investment advice, an offer or solicitation for the purchase or sale of any financial instrument, and it does not constitute legal, tax or accounting advice.

Information herein reflects the market situation at the time of writing. It provides only momentary information and may change as market conditions and circumstances develop. Additional information may be available on request. Although the information in this document has been prepared in good faith from sources which OTP Bank believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. Opinions and estimates constitute our judgment and are subject to change without notice. OTP Bank 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 is made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank 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.

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. Any concrete individual decision or investment made based on this publication is the sole risk of the Client and OTP Bank shall not be held responsible for the success of the investment decisions or for attaining the Client's target.

Figures described herein refer to the past and past performance is not a reliable indicator of future results.

OTP Bank Plc. (registered seat: Nádor utca 16., Budapest H-1051, Hungary. Supervisory authority: Magyar Nemzeti Bank (National Bank of Hungary – H-1013 Budapest, Krisztina krt. 39.sz.) PSZÁF licence numbers: III/41.003-22/2002 and E-III/456/2008. For more information, please refer to: <https://www.otpbank.hu/portal/hu/Megtakaritas/Ertekpapir/MIFID>). All rights reserved. This publication is exclusively owned by OTP Bank Plc., no part of this material can be reproduced, re-used or disseminated without the prior written consent of OTP Bank Plc.

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 writing a letter addressed to "Research Center" Hungary 1051, Budapest Nádor utca. 21. Please refer to your name and e-mail address in both cases.

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 csaba.balint@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.