

## 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

- Most stock markets picked up on Wednesday
- The EC has approved bailing out Italy's Monte dei Paschi, using state capital
- Oil prices fell sharply; Russia ceased to support OPEC's further output limitations
- The May reading of retail sales in the EZ was reassuring

On both sides of the Atlantic, most stock exchanges closed somewhat higher in Wednesday's session. Technology names were the best performers but a slump in oil prices dragged down the energy sector.

The European Commission nodded on bailing out Italy's Monte dei Paschi using EUR 5.4 billion state capital. While rescuing the last struggling big bank, the state of Italy will acquire 71% stake in the financial institution. Bonds worth EUR 4.3 billion will be converted into shares, of which the state will buy EUR 1.5 billion, at 25% discount. The bank will get rid of EUR 28.6 billion worth of bad loans by 2021, the bulk of which will be sold by way of securitization, with the participation of the Atlante bank rescue fund. Further measures include cutting workforce by one-quarter and closing 30% of the branches. The bank is planned to regain profitability by 2021.

Oil prices slid on Wednesday when Russian government officials indicated that their country would not support further cuts in OPEC output quotas. Copper price fell almost 1%.

The US dollar opened on a bright note on Wednesday but ran out of steam by the end of the day. Simultaneously, gold price headed higher in the morning but lost some of its shine in the afternoon. The pound has appreciated. A decision-maker at the Bank of England suggested in a Tuesday evening article that interest rate hike may be round the corner. In emerging market currencies, South Africa's rand (ZAR) and the Turkish lira (TRY) suffered losses yesterday. South Africa's government is planning to nationalize the country's central bank, and investors fear that this would impair the institution's independence and boost political influence on monetary policy.

The retail sales data released in the eurozone on Wednesday were cheering. The sentiment indicators that came to light in the United Kingdom suggest that economic growth may have accelerated in the second quarter but slowing is likely to return in the summer months. The Fed minutes published last night indicated that most US monetary policy decision-makers find the weakness in America's inflation transitory. Interestingly, many central bankers wanted to communicate shrinking the Fed balance sheet at a later date only, and it was Janet Yellen who urged hinting at the likely changes as early as in June. The minutes did not trigger noticeable market reaction.

Job market data are due out in the USA today. In Europe, the ECB will publish the minutes of its latest rate decision.

	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	0,1	8,7	VIX	11,1	-1,3	-21	WTI	45,13	-4,2	-16,0
	DOW	21478,2	0,0	8,7	US 2Y	1,41	-0,4	22	Brent	47,79	-3,7	-15,9
	Nasdaq100	5648,8	0,9	16,1	US 10Y	2,33	-1,2	-10	Gold	1226,5	0,2	6,5
	DAX	12453,7	0,1	8,5	GER 2Y	-0,60	0,3	19	Silver	16,05	-0,1	0,7
	CAC40	5180,1	0,1	6,5	GER 10Y	0,47	-0,2	27	EUR/USD	1,1352	0,1	8,0
	FTSE 100	7367,6	0,1	3,1	PT10Y	2,97	0,0	-79	EUR/GBP	0,8776	0,0	3,0
	FTSE MIB	20939,4	-0,4	8,9	IT 10Y	2,13	2,4	31	EUR/NOK	9,5242	0,5	4,8
	Stoxx600	383,0	0,2	6,0	SP 10	1,57	4,5	17	USD/CAD	1,2955	0,2	-3,5
	- Banks	158,2	-0,2	17,9	iTRAXX	55,3	0,7	-24	AUD/USD	0,7600	0,0	5,3
	Nikkei 225	19994,1	-0,4	4,6	JPY 2Y	-0,10	1,2	7	USD/JPY	113,25	0,0	-3,1
SSEC	3130,4	-2,4	0,9	JPY 10Y	0,10	1,2	5	GBP/USD	1,2934	0,1	4,8	
Regional	RTS	1007,9	-1,0	-12,5	RUS10	7,79	1,2	-7	USD/RUB	59,967	0,9	-2
	WIG20	2307,49	0,6	18,5	POL 10	3,32	0,9	-8	EUR/PLN	4,2277	-0,2	-4,0
	PX50	986,8	0,0	7,1	CZ10	1,02	0,0	119	EUR/RON	4,5872	0,1	1,2
Hungary	BUX	35298	1,2	10,3	3M TB	0,10	0	-6	EUR/HUF	308,64	0,3	-0,1
	OTP	9375	3,1	11,6	1Y	0,20	-1	2	USD/HUF	271,89	0,2	-7,4
	MOL	21060	1,4	2,1	3Y	0,78	-3	-8	CHF/HUF	281,99	0,3	-2,1
	MTelekom	467	0,0	-6,2	5Y	1,88	1	11	PLN/HUF	72,990	0,5	4,2
	Richter	6850	-1,4	10,3	10Y	3,16	4	-4	GBP/HUF	351,58	0,3	-3

\* 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 7. 3.	2 : 30	JP Nikkei Manufacturing PMI (points)	June	52,4	-	52,0
	9 : 00	HU Manufacturing PMI (points)	June	57,2	-	62,1
	9 : 00	HU Budget balance (% of GDP)	Q1	2	-	-1,8
	11 : 00	EZ Unemployment rate (%)	May	9,3	9,2	9,3
	14 : 00	RO Interest rate decision (%)	July	1,75	1,75	1,75
	16 : 00	US Construction expenditure (mom, %)	May	0	0,2	-1,4
	16 : 00	US ISM Manufacturing PMI (points)	-	57,8	55,2	54,9
	21 : 30	US Vehicle sales (annualized monthly, million)	June	16,51	16,6	16,7
5.	9 : 00	HU Retail sales (first estimate, yoy, %)	May	5,4	-	2,0
	11 : 00	EZ Retail sales (mom, %)	May	0,4	0,3	0,1
	14 : 00	PL Interest rate decision (%)	July	1,5	-	1,5
	16 : 00	US Factory orders (mom, %)	May	-0,8	-0,4	-0,2
	20 : 00	US FOMC Minutes	June	-	-	-
	23 : 55	US Fed Monetary Policy Report	July	-	-	-
6.	8 : 00	DE Industrial orders (mom, %)	May	1	2,0	-2,1
	9 : 00	HU Industrial production (preliminary, yoy, %)	May	8,8	-	-3,0
	11 : 00	HU Fiscal balance (monthly, billion HUF)	June		-	-91,9
	13 : 30	EZ ECB Minutes	June		-	-
	14 : 15	US ADP non-farm employment (mom, '000s)	June		184	253
	16 : 00	US ISM non-Manufacturing PMI (points)	June		56,5	56,9
7.	8 : 00	DE Industrial production (mom, %)	May		0,3	0,8
	8 : 30	HU International reserves (preliminary, EURbn)	June		-	23,7
	9 : 00	HU Trade balance (preliminary, monthly, EUR mn)	May		-	865
	10 : 30	UK Industrial production (mom, %)	May		0,4	0,2
	14 : 30	US Unemployment rate (%)	June		4,3	4,3
	14 : 30	US Average earnings (yoy, %)	June		2,6	2,5
	14 : 30	US Average earning (mom, %)	June		0,3	0,2
	14 : 30	US Non-farm payroll (mom, '000s)	June		177	138
	23 : 55	HU Moody's Credit Rating Decision	July			Baa3 (stable)
	23 : 56	DE G-20 Summit (July 7-8.)	July		-	-

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](mailto: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](mailto: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.