

Treasury Sales Team

Headquarter Treasury Sales

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

Anca Butuc
0372 31 85 87
anca.butuc@otpbank.ro

Anamaria Toma
0372 31 85 85
anamaria.toma@otpbank.ro

Cristian Bodirca
0372 31 85 88
cristian.bodirca@otpbank.ro

Regional Treasury Sales

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

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

Andrei Sala - Brasov
0755 000 015
andrei.sala@otpbank.ro



Daily Report

Summary

- Stock markets in America and the key financial hubs of Western Europe opened the week with gains as trade war fears eased
- The TRY's ordeals continued. The Brent seems to be stabilizing around USD 80
- Today's rate decision of the MNB is likely to leave the base rate on hold

The week started on a bright note in the USA, where Treasury Secretary Steven Mnuchin had said on Sunday that America did not plan to impose further tariffs on Chinese products, and the Sino-American negotiations will carry on. Equity markets started trading with an upward gap, and the USD appreciated against the EUR until midday, when it reversed. In the corporate world, Tesla received unwelcome news: the renowned Consumer Reports did not recommend the carmaker's Model 3 at this point, citing important issues with the test car's parts.

In Europe, the stock markets of Paris and London advanced, while Frankfurt was closed for holiday.

The Brent crude marched higher again, hitting USD 79.6 on Monday night.

Venezuela's president Nicolas Maduro was re-elected for six more years. Prior to the event, a number of countries denounced the election as antidemocratic. The opposition said it was fraudulent.

Ending protracted talks, Italy's Five Stars Movement and the Northern League named their candidate for Prime Minister: Giuseppe Conte, 53, a law professor, has been unknown in politics so far.

The Turkish lira's continued depreciation sent the EUR/TRY to new highs, near 5.40, amid the central bank's idleness.

Today's meeting of the MNB's Monetary Council is unlikely to alter its monetary framework but the subsequent press release is worth checking, particularly for any comments on the rise in long-term yields and the HUF's exchange rate, as the EUR/HUF hit a two-year high of 319.5 at one point on Monday.

	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	2733,0	0,7	2,2	VIX	13,1	-2,5	18	WTI	72,4	1,4	19,7
	DOW	25013,3	1,2	1,2	US 2Y	2,57	2,1	68	Brent	79,22	0,9	18,5
	Nasdaq100	6905,5	0,6	8,0	US 10Y	3,07	-0,2	65	Gold	1292,3	0,1	-0,8
	DAX	13077,7	0,0	1,2	GER 2Y	-0,60	-1,9	4	Silver	16,48	0,4	-2,7
	CAC40	5637,5	0,4	6,1	GER 10Y	0,52	-5,4	10	EUR/USD	1,18	0,1	-1,7
	FTSE 100	7859,2	1,0	2,2	PT10Y	2,01	12,4	8	EUR/GBP	0,88	0,4	-1,2
	FTSE MIB	23092,4	-1,5	5,7	IT 10Y	2,34	11,8	34	EUR/NOK	9,49	-0,7	-3,6
	Stoxx600	395,9	0,3	1,7	SP 10	1,52	7,9	-5	USD/CAD	1,28	-0,7	1,7
	- Banks	153,6	-0,4	-6,9	ITRAXX	60,0	3,1	33	AUD/USD	0,76	0,9	-2,8
	Nikkei 225	22960,3	-0,2	0,9	JPY 2Y	-0,14	0	0	USD/JPY	111,04	0,3	-1,4
SSEC	3203,6	-0,3	-3,1	JPY 10Y	0,05	-1	0	GBP/USD	1,34	-0,3	-0,6	
Regional	RTS	1191,9	1,6	3,2	RUS10	7,4	0,0	-3	USD/RUB	61,514	-1,2	6,7
	WIG20	2268,39	1,7	-7,8	POL 10	3,3	-0,1	1	EUR/PLN	4,29	-0,2	2,7
	PX50	1102,2	-0,2	2,2	CZ10	1,9	4,1	28	EUR/RON	4,621	-0,2	-1,2
Hungary	BUX	36771	0,0	-6,6	3M DKJ	0,19	0	15	EUR/HUF	317,66	-0,1	2,3
	OTP	10450	0,0	-2,5	1Y	0,30	0	25	USD/HUF	269,33	-0,3	4,1
	MOL	2702	0,0	-10,1	3Y	1,18	0	63	CHF/HUF	270,62	0,0	2,1
	MTelekom	419	0,0	-8,5	5Y	1,77	0	60	PLN/HUF	74,06	0,1	-0,3
	Richter	5595	0,0	-17,5	10Y	3,14	0	110	GBP/HUF	363,44	-0,2	4,0

* 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.
2018 5. 22.	14 : 00	HU Interest rate decision (%)	May		0,9	0,9
	23. 2 : 30	JP Nikkei Manufacturing PMI (points)	May		-	53,8
	8 : 00	DE GDP (detailed, yoy, %)	Q1		2,3	2,3
	9 : 00	HU Gross wages (yoy, %)	March		-	11,9
	9 : 00	FR Markit Service PMI (points)	May		57,1	57,4
	9 : 00	FR Markit Manufacturing PMI (points)	May		53,6	53,8
	9 : 30	DE Markit Service PMI (points)	May		53,0	53,0
	9 : 30	DE Markit Manufacturing PMI (points)	May		57,8	58,1
	10 : 00	EZ Markit Service PMI (points)	May		54,6	54,7
	10 : 00	EZ Markit Manufacturing PMI (points)	May		56	56,2
	10 : 30	UK Inflation (yoy, %)	Apr.		2,5	2,5
	10 : 30	UK Core inflation (yoy, %)	Apr.		2,2	2,3
	15 : 45	US Markit Manufacturing PMI (points)	May		56,3	56,5
	15 : 45	US Markit Service PMI (points)	May		54,9	54,6
	16 : 00	EZ Consumer confidence index (flash, points)	May		0,6	0,4
	16 : 00	US New home sales (annualized monthly, '000s)	Apr.		679	694
	20 : 00	US FOMC Minutes	May		-	-
	24. 10 : 30	UK Retail sales (mom, %)	Apr.		0,4	-1,2
	13 : 30	EZ ECB Minutes	Apr.		-	-
	16 : 00	US Existing home sales (mom, %)	Apr.		5600	5600
	25. 10 : 00	DE IFO Economic sentiment index (points)	May		102,0	102,1
	10 : 30	UK GDP (detailed, yoy, %)	Q1		1,2	1,2
	14 : 30	US Durable goods orders (mom, %)	Apr.		-1,4	2,6

*preliminary data

Sources: Reuters, OTP Research

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

Analyst
Gábor Dunai
dunaig@otpbank.hu
+36 1 374 7272

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