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Global Daily Report

Summary

- Carmakers' share price advanced, fuelled by China's promises.
- America's key indices closed in the red on Tuesday.
- The MNB left interest rates on hold.
- A new wave of strikes is to paralyze France today.

The doubts surrounding Italy's new government prevailed, while its planned measures continue to unnerve markets – yet Milan's FTSE MIB could climb higher, while the 10Y Italian bond yield fell yesterday. Western Europe's major indices achieved gains. The brightest one, DAX benefited from car manufacturers, as China promised to cut import tariffs on car parts and some car types. But the winner of the day was Thyssenkrup (+9.5%), in which Elliott Management will buy a stake, according to Bloomberg's sources.

Even though the trade talks with China fa re well, the main US indices headed down at the end of the day, as investors fretted that the meeting of Donald Trump and Kim Jong-Un may fail to happen. Only the financial sector could post meaningful gain in the USA.

The WTI oil slipped, while the Brent ground higher; the latter drew near 80 USD/barrel. The greenback's continued appreciation sent the EUR/USD 0.1% down, to close at 1.18.

Pessimism ruled Asia's stock markets this morning, with the key indices losing more than 1%. The JPY firmed against the US dollar.

Despite the rising risk aversion on global markets, the MNB left its monetary policy unchanged in Tuesday's meeting. The 3M deposit rate remained at 0.9%, and the overnight rate at -0.15%. The EUR/HUF closed at the morning's level (317.8).

Elsewhere, the Turkish lira could not keep pace with other emerging market currencies, extending its losing streak against the euro by 1.9% fall yesterday (EUR/TRY:5,5).

The French public sector trade union announced strike again against the reforms that would hit them. The shutdown in transport, education and health care will be accompanied by demonstrations in a number of French cities.

Today's important publications include the Markit purchasing managers' indices from across Europe. Elsewhere, the minutes of the Fed's most recent rate decision will see the light of day in America.

	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	2724,4	-0,3	1,9	VIX	13,2	1,1	20	WTI	72,2	-0,2	19,4
	DOW	24834,4	-0,7	0,5	US 2Y	2,57	0,0	68	Brent	79,57	0,4	19,0
	Nasdaq100	6893,6	-0,2	7,8	US 10Y	3,07	0,0	65	Gold	1290,9	-0,1	-0,9
	DAX	13169,9	0,7	2,0	GER 2Y	-0,59	0,3	4	Silver	16,52	0,2	-2,5
	CAC40	5640,1	0,0	6,2	GER 10Y	0,56	3,9	14	EUR/USD	1,18	-0,1	-1,8
	FTSE 100	7877,5	0,2	2,5	PT10Y	1,96	-4,6	3	EUR/GBP	0,88	-0,1	-1,3
	FTSE MIB	23216,6	0,5	6,2	IT 10Y	2,33	-1,0	33	EUR/NOK	9,49	0,0	-3,6
	Stoxx600	396,9	0,3	2,0	SP 10	1,45	-6,7	-12	USD/CAD	1,28	0,3	1,9
	- Banks	155,9	1,5	-5,5	ITRAXX	59,5	-0,8	32	AUD/USD	0,76	-0,1	-2,9
	Nikkei 225	22695,0	-1,2	-0,3	JPY 2Y	-0,14	-1	0	USD/JPY	110,88	-0,1	-1,6
SSEC	3180,8	-1,0	-3,8	JPY 10Y	0,05	-1	0	GBP/USD	1,34	0,0	-0,6	
Regional	RTS	1202,0	0,9	4,1	RUS10	7,3	-0,4	-3	USD/RUB	61,229	-0,5	6,2
	WIG20	2248,71	-0,9	-8,6	POL 10	3,2	-2,4	-2	EUR/PLN	4,28	-0,2	2,6
	PX50	1103,3	0,1	2,3	CZ10	2,0	1,1	30	EUR/RON	4,625	0,1	-1,1
Hungary	BUX	36401	-1,0	-7,6	3M DKJ	0,20	1	16	EUR/HUF	317,82	0,1	2,3
	OTP	10510	0,6	-2,0	1Y	0,32	2	27	USD/HUF	269,72	0,1	4,2
	MOL	2614	-3,3	-13,0	3Y	1,20	2	65	CHF/HUF	271,74	0,4	2,6
	MTelekom	421	0,4	-8,2	5Y	1,85	8	68	PLN/HUF	74,17	0,1	-0,1
	Richter	5520	-1,3	-18,6	10Y	3,24	10	119	GBP/HUF	362,16	-0,4	3,7

* 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	0,9
23. 2 : 30	JP	Nikkei Manufacturing PMI (points)	May	52,5	-	53,8
8 : 00	DE	GDP (detailed, yoy, %)	Q1	2,3	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

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