

Summary

- Thursday's trading sentiment was supportive in America; Europe closed mixed
- The ECB held rate-setting meeting on Thursday.
- The euro has appreciated.
- Germany released disappointing macrodata

America's stock markets closed in green yesterday: the S&P500 rose by 0.6%, the Dow advanced 0.7%, and the Nasdaq100 surged 0.8%. The supportive sentiment partly stemmed from the report that US President Donald Trump is to postpone the tariffs on goods imported from Mexico. Previously, Mr Trump communicated that the new tariffs would take effect on Monday, and be raised to 25% by October, unless the number of Southern immigrants to the USA decreases.

Europe's stock markets closed mixed: the DAX shed 0.2%, the CAC40 slipped 0.3%, while the FTSE100 added 0.6%, and the Stoxx600 stagnated. One reason for the cautious investment sentiment was the not exactly dovish statement of Mario Draghi, at the ECB's post-meeting press conference.

The European Central Bank's rate-setting meeting left the benchmark rate on hold, as expected. In the subsequent news conference, President Mario Draghi made an effort to soften market expectations that monetary policy decision-makers rule out the possibility of any further rate cuts if the economic environment in the eurozone deteriorates further. In answer to the question whether a rate hike was more likely than a rate cut, Mr Draghi said it was not, providing one more hint to investors as to the possible direction of monetary policy. A previous ECB announcement, saying that the base rate would not change until the first half-year of 2020, triggered an immediate euro firming. After this press briefing, the currency temporarily weakened, before its strengthening resumed.

Theresa May will step down as Conservative party leader today. She will not officially stop being Prime Minister; she will remain caretaker PM until her successor is found, which may take as much as a month.

The euro appreciated 0.4% against the US dollar and the GBP.

WTI oil price rose by 1.8% and Brent upped 1.7%.

Germany released unsupportive business cycle data this morning. Export volumes contracted by 3.7% month/month in April, whereas analysts projected -0.9%. Industrial production volume fell 1.9%, wrong-footing analysts who had projected 0.9% decline.

Today the USA will publish important labour market statistics. Any developments about Theresa May's succession, the USA-China trade war standoff, and the delay of US import tariffs are all worth keeping an eye on.

	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	2843,5	0,6	13,4	VIX	15,9	-1,0	-37	WTI	52,6	1,8	15,8
	DOW	25720,7	0,7	10,3	US 2Y	1,88	4,0	-62	Brent	61,67	1,7	14,6
	Nasdaq100	7275,9	0,8	14,9	US 10Y	2,12	0,0	-57	Gold	1334,8	0,4	4,1
	DAX	11953,1	-0,2	13,2	GER 2Y	-0,64	1,8	-5	Silver	14,85	0,3	-4,1
	CAC40	5278,4	-0,3	11,6	GER 10Y	-0,23	-1,2	-48	EUR/USD	1,1274	0,5	-1,7
	FTSE 100	7259,9	0,5	7,9	PT10Y	0,69	-1,1	-104	EUR/GBP	0,8880	0,4	-1,2
	FTSE MIB	20177,8	0,1	10,1	IT 10Y	2,49	0,4	-28	EUR/NOK	9,7985	-0,1	-1,1
	Stoxx600	374,0	0,0	10,8	SP 10	0,61	-2,3	-81	USD/CAD	1,3361	-0,4	-2,0
	- Banks	110,9	-0,8	-1,9	iTRAXX	65,9	-0,2	-25	AUD/USD	0,6976	0,1	-1,0
	Nikkei 225	20774,0	0,0	3,8	JPY 2Y	-0,20	0,6	-6	USD/JPY	108,40	0,0	-1,1
	SSEC	2827,8	0,0	13,4	JPY 10Y	-0,12	0,0	-12	GBP/USD	1,2699	0,1	-0,5
Regional	RTS	1319,9	1,3	23,8	RUS10	7,8	-0,8	-11	USD/RUB	65,077	-0,3	-6,6
	WIG20	2260,94	1,7	-0,7	POL 10	2,5	-1,8	-12	EUR/PLN	4,27	-0,1	-0,4
	PX50	1048,4	-0,4	6,3	CZ10	1,7	-3,3	-15	EUR/RON	4,720	0,0	1,5
Hungary	BUX	41000	-0,2	4,8	3M DKJ	0,12	0,0	5	EUR/HUF	320,93	-0,2	0,0
	OTP	12380	0,1	9,7	1Y	0,28	0,0	-17	USD/HUF	284,56	-0,7	1,7
	MOL	3266	-0,9	6,1	3Y	1,09	-2,0	-17	CHF/HUF	287,05	-0,3	0,6
	MTelekom	414	-1,0	-5,9	5Y	1,81	-7,0	-72	PLN/HUF	75,03	-0,1	0,6
	Richter	5130	0,6	-5,5	10Y	2,90	-7,0	-14	GBP/HUF	360,98	-0,5	1,3

* 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.
2019 6. 3.	2 : 30	JP Nikkei Manufacturing PMI (points)	May	49,8	-	49,6
	9 : 00	HU Manufacturing PMI (points)	May	57,9	-	54,9
	9 : 00	HU Industrial producer prices (yoy, %)	Apr	4,1	-	2,7
	9 : 00	TR Inflation (yoy, %)	May	18,7	19,1	19,5
	16 : 00	US Construction expenditure (mom, %)	Apr	0,0	0,5	0,1
	16 : 00	US ISM Manufacturing PMI (points)	May	52,1	53,3	52,8
4.	11 : 00	EZ CPI (flash, yoy, %)	May	1,20	1,3	1,7
	11 : 00	EZ Core CPI (flash, yoy, %)	May	0,8	0,9	1,3
	11 : 00	EZ Unemployment rate (%)	Apr	7,6	7,7	7,7
	15 : 45	US Jerome Powell speech	-	-	-	-
	16 : 00	US Factory orders (mom, %)	Apr	-0,8	-0,9	1,9
5.	9 : 00	HU Retail sales (first estimate, yoy, %)	Apr	8,5	-	5,9
	11 : 00	EZ Retail sales (mom, %)	Apr	-0,4	-0,4	0,0
	14 : 00	PL Interest rate decision (%)	Jun	1,5	1,5	1,5
	14 : 15	US ADP non-farm employment (mom, '000s)	May	27	190	275
	16 : 00	US ISM non-Manufacturing PMI (points)	May	56,9	56,0	55,5
	20 : 00	US Fed Beige Book	Jun	-	-	-
6.	8 : 00	DE Industrial orders (mom, %)	Apr	0,3	0,1	0,8
	9 : 00	HU Industrial production (preliminary, yoy, %)	Apr	6,3	6,7	8,0
	11 : 00	EZ GDP (preliminary, yoy, %)	Q1	1,2	1,2	1,2
	11 : 00	EZ GDP (preliminary, qoq, %)	Q1	0,4	0,4	0,4
	13 : 45	EZ Interest rate decision (deposit rate, %)	Jun	0,0	0,0	0,0
	13 : 45	EZ Interest rate decision (lending rate, %)	Jun	-0,4	-0,4	-0,4
	14 : 30	US Continuing jobless claims ('000s)	weekly	1682,0	1660	1657
	14 : 30	US Initial jobless claims ('000s)	weekly	218,0	215	215
7.	8 : 00	DE Export (mom, %)	Apr	-3,7	-0,9	1,5
	8 : 00	DE Industrial production (mom, %)	Apr	-1,9	-0,4	0,5
	9 : 00	HU Inflation (yoy, %)	May			3,9
	9 : 00	HU Core-inflation (yoy, SA, %)	May			3,8
	9 : 00	HU Trade balance (preliminary, monthly, EUR mn)	Apr		-	644
	10 : 00	HU International reserves (preliminary, EURbn)	May		-	26,9
	11 : 00	HU Fiscal balance (monthly, billion HUF)	May		-	102,9
	14 : 30	US Average earnings (yoy, %)	May		3,2	3,2
	14 : 30	US Average earnings (mom, %)	May		0,3	0,2
	14 : 30	US Unemployment rate (%)	Apr		3,6	3,6
	14 : 30	US Non-farm payroll (mom, '000s)	Apr		190	263

Sources: Reuters, OTP Research

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