

Global Daily Report



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Summary

- Friday's rally continued on Monday in America; optimism returned to markets as the USA dropped plans to impose tariffs on goods from Mexico. The peso surged 2.1%.
- Risk appetite improved in Europe, benefiting the auto industry above all.
- Bond yields have risen, precious metal prices dropped.

The week started on a positive note on the world's stock exchanges. Following Mexico's successful agreement on Friday night with the USA, Donald Trump suspended tariffs on imports from Mexico. On Monday the Dow upped 0.3%, the S&P gained 0.5%, and the Nasdaq100 closed 1.1% higher. The optimism has improved investors' risk appetite. In the S&P500, technology companies were the winners of the day, along with consumer cyclicals and financial service providers. On the other hand, utilities and real property names were under selling pressure, and classical health care companies (e.g. pharmaceuticals) were not sought either. Car manufacturers have advanced. Bond yields have increased, gold price dropped and the yen weakened.

Europe's benchmark shares slightly rose, albeit on light turnover, as stock markets were closed in many countries on Whit Monday. The FTSE added 0.6%, France's CAC40 upped 0.3%, while the benchmarks of Italy and Spain grew by 0.6% each. The Stoxx600 advanced 0.2%. Dropping US plans to impose tariffs on Mexico caused relief in Europe, helping car makers and their suppliers advance. Fiat Chrysler rallied 1.7%, and Renault revved up 2.6% on reports that the two companies are still seeking to revive merger.

The US dollar slightly advanced; the Bloomberg Dollar Spot Index edged 0.1% higher, as the EUR/USD dipped 0.2%, to 1.1312. The Mexican peso could firm 2.1% versus the USD on Monday. The pound's 0.4%, weakening sent the GBP/USD below 1.27.

The UK industrial and manufacturing statistics signified a considerable fall in output in April from the previous month. Bond yields have risen: that of the 10Y US note climbed seven basis points higher, the yield on the German 10Y Bund upped four basis points, and that of the UK rose by five basis points.

In Central and Eastern Europe, Warsaw's WIG20 nudged 0.1% higher, and Prague's PX grew by 0.9% yesterday.

Crude oil prices fell deeper: WTI sank 1.4%, to less than 54 USD/barrel, while Brent fell 1.6%. Precious metal prices sank too: gold slipped 1.1% and silver slid 2.3%. In industrial metals, copper grew by 1.3%.

This morning Asia's stock markets marched higher, reflecting the persisting buoyancy. Japan's Nikkei stood 0.3% higher, China's Shanghai Composite jumped 2.5%, and the Hang Seng grew by 1.0%. The EuroStoxx50 and the S&P futures were seen in positive territory before Europe's markets opened.

Later this week, the ECB's President Mario Draghi will speak in Frankfurt, and the latest US inflation data will see the light of day on Wednesday. On Thursday, the UK Tory party will hold its first vote on Theresa May's succession, while the EU finance ministers meet in Luxembourg to discuss the eurozone's budget, and a possible disciplinary action on Italy for violating EU debt rules.

	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	2886,7	0,5	15,2	VIX	15,9	-2,2	-37	WTI	53,3	-1,4	17,3
	DOW	26062,7	0,3	11,7	US 2Y	1,90	5,1	-60	Brent	62,29	-1,6	15,8
	Nasdaq100	7501,9	1,1	18,5	US 10Y	2,14	5,7	-55	Gold	1327,7	-0,9	3,5
	DAX	12045,4	0,0	14,1	GER 2Y	-0,66	0,0	-7	Silver	14,66	-2,2	-5,3
	CAC40	5382,5	0,3	13,8	GER 10Y	-0,26	0,0	-50	EUR/USD	1,1312	-0,2	-1,4
	FTSE 100	7375,5	0,6	9,6	PT10Y	0,72	9,8	-100	EUR/GBP	0,8916	0,2	-0,8
	FTSE MIB	20485,0	0,6	11,8	IT 10Y	2,35	-0,9	-42	EUR/NOK	9,7938	0,2	-1,1
	Stoxx600	378,3	0,2	12,0	SP 10	0,61	5,6	-82	USD/CAD	1,3265	0,0	-2,7
	- Banks	112,7	0,9	-0,3	iTRAXX	61,0	-2,8	-31	AUD/USD	0,6961	-0,5	-1,2
	Nikkei 225	21204,3	0,0	5,9	JPY 2Y	-0,19	0,6	-5	USD/JPY	108,43	0,2	-1,0
	SSEC	2919,6	2,4	17,1	JPY 10Y	-0,11	0,9	-11	GBP/USD	1,2683	-0,4	-0,6
Regional	RTS	1335,7	0,7	25,3	RUS10	7,7	-0,6	-12	USD/RUB	64,739	-0,1	-7,1
	WIG20	2282,51	0,1	0,3	POL 10	2,5	1,2	-12	EUR/PLN	4,26	0,0	-0,7
	PX50	1059,2	0,9	7,4	CZ10	1,7	1,5	-15	EUR/RON	4,715	0,0	1,4
Hungary	BUX	41160	0,0	5,2	3M DKJ	0,12	0,0	5	EUR/HUF	320,06	0,0	-0,3
	OTP	12480	0,0	10,5	1Y	0,28	0,0	-17	USD/HUF	282,78	0,2	1,1
	MOL	3286	0,0	6,8	3Y	1,11	0,0	-15	CHF/HUF	286,02	0,0	0,2
	MTelekom	413	0,0	-6,3	5Y	1,85	0,0	-68	PLN/HUF	75,15	0,0	0,8
	Richter	5100	0,0	-6,1	10Y	2,95	0,0	-9	GBP/HUF	359,80	0,0	1,0

* 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.	
2019	6. 10.	10 : 30	UK	Industrial production (mom, %)	Apr	-2,7	-0,7	0,7
		11. 10 : 30	EZ	Sentix Investor confidence (points)	Jun		2,9	5,3
		12. 14 : 30	US	CPI (yoy, %)	May		1,9	2,0
		14 : 30	US	CPI (mom, SA, %)	May		0,1	0,3
		14 : 30	US	core-CPI (yoy, %)	May		2,1	2,1
		14 : 30	US	core-CPI (mom, SA, %)	May		0,2	0,1
		20 : 00	US	Federal budget balance (USDbn)	May			160,0
	13.	9 : 00	HU	Industrial production (second estimate, yoy, %)	Apr		-	6,3*
		11 : 00	EZ	Industrial production (mom, %)	Apr		-0,4	-0,3
		14 : 30	US	Continuing jobless claims ('000s)	weekly		1680	1682
		14 : 30	US	Initial jobless claims ('000s)	weekly		220	218
	14.	4 : 00	CN	Infrastructural spending (yoy, %)	May		6,1	6,1
		4 : 00	CN	Industrial production (yoy, %)	May		5,5	5,4
		4 : 00	CN	Retail sales (yoy, %)	May		8,2	7,2
		9 : 00	HU	Construction output (yoy, %)	Apr		-	68
		14 : 30	US	Retail sales (mom, %)	May		0,6	-0,2
		15 : 15	US	Industrial production (mom, %)	May		0,2	-0,5
		16 : 00	US	Business inventories (mom, %)	Apr		0,4	0,0
		16 : 00	US	Michigan Consumer confidence (preliminary, points)	Jun		98,1	100,0

*preliminary data

Sources: Reuters, OTP Research

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