



### Summary

- The ECB might embark on fresh monetary stimulus, Mario Draghi's speech indicated.
- Germany's 10Y Bund yield hit record low; the EUR weakened vs the USD.
- The FOMC is expected to leave Fed funds rate unchanged this time.

Mario Draghi's words cheered up Europe's markets from their morning lethargy; the ECB President indicated that a new round of monetary easing might be launched by reviving the asset purchase program or cutting interest rates. Meanwhile Donald Trump's Twitter post added to investors' risk appetite, as the US President confirmed plans to meet face to face with China's president at the G20 summit next week.

The ECB President's words helped Europe's government security yields fall sharply: the German 10Y Bund yield plunged eight basis points, to an all-time low of -0.32%. The US 10Y bond yield fell four basis points, to 2.06%. The key stock markets of Europe and America closed Tuesday's trading with impressive gains.

Mario Draghi's speech also benefited the euro against the US dollar. This prompted Donald Trump to use a Twitter post to express his disapproval; in his view, the eurozone weakens its currency on purpose, with an aim to gain an unfair advantage against the USA.

The chances that Boris Johnson will succeed Theresa May at the helm of the UK's Conservative Party have further increased as he won the largest number of votes in the second round of voting on Tuesday, just like in the first ballot. The leadership contest continues today.

Lagging behind the Polish WIG20 by a large margin, Hungary's BUX and Prague's PX50 gained 0.4% each.

Germany's ZEW sentiment index for June has disappointed: the 21.1% slide was much worse than the expected 5.9%. The last time when this gauge was worse than that was in November 2018.

The optimism about trade war developments and Mario Draghi's communication eased fears of global growth figures. This helped crude oil prices climb higher: WTI and Brent ended 4% and 2% higher, respectively.

President Donald Trump officially announced plans to run for president in 2020.

Tuesday's buoyancy on US stock markets persisted in today's trading in Asia: the key indices gained more than 1%. The yen opened on a strong note against the US dollar.

The FOMC meeting is worth keeping an eye on. Markets do not expect the current meeting to lower interest rates but the Fed might hint at the future path of interest rates. Markets currently expect up to three rate cuts, by 25 basis points each time.

	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	2917,8	1,0	16,4	VIX	15,2	-1,3	-40	WTI	54,4	4,8	19,8
	DOW	26465,5	1,4	13,5	US 2Y	1,86	-0,3	-64	Brent	62,14	2,0	15,5
	Nasdaq100	7635,4	1,4	20,6	US 10Y	2,06	-2,8	-63	Gold	1346,1	0,5	4,9
	DAX	12331,8	2,0	16,8	GER 2Y	-0,74	-5,6	-15	Silver	15,01	1,1	-3,1
	CAC40	5509,7	2,2	16,5	GER 10Y	-0,32	-7,7	-57	EUR/USD	1,1191	-0,2	-2,4
	FTSE 100	7443,0	1,2	10,6	PT10Y	0,54	-9,2	-118	EUR/GBP	0,8915	-0,4	-0,8
	FTSE MIB	21133,8	2,5	15,3	IT 10Y	2,11	-18,4	-67	EUR/NOK	9,7810	-0,2	-1,3
	Stoxx600	384,8	1,7	14,0	SP 10	0,39	-13,7	-103	USD/CAD	1,3376	-0,3	-1,9
	- Banks	111,0	0,9	-1,8	iTRAXX	56,5	-6,5	-36	AUD/USD	0,6876	0,4	-2,5
	Nikkei 225	21333,9	1,8	6,6	JPY 2Y	-0,21	-1,5	-8	USD/JPY	108,44	-0,1	-1,0
	SSEC	2931,7	1,4	17,6	JPY 10Y	-0,14	-0,6	-14	GBP/USD	1,2556	0,2	-1,6
Regional	RTS	1359,2	1,4	27,5	RUS10	7,6	-0,8	-13	USD/RUB	63,993	-0,5	-8,2
	WIG20	2325,16	2,1	2,1	POL 10	2,3	-3,5	-18	EUR/PLN	4,26	0,0	-0,7
	PX50	1055,2	0,3	7,0	CZ10	1,6	-2,2	-19	EUR/RON	4,720	0,1	1,5
Hungary	BUX	40922	0,4	4,6	3M DKJ	0,16	4,0	9	EUR/HUF	323,25	0,3	0,7
	OTP	12020	-0,8	6,5	1Y	0,31	2,0	-14	USD/HUF	288,65	0,5	3,2
	MOL	3146	-0,1	2,2	3Y	0,99	-6,0	-27	CHF/HUF	288,42	0,5	1,1
	MTelekom	421	-0,9	-4,3	5Y	1,62	-11,0	-91	PLN/HUF	75,87	0,4	1,7
	Richter	5240	4,0	-3,5	10Y	2,70	-13,0	-34	GBP/HUF	362,11	0,5	1,7

\* 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.
2019 6. 17. 14 : 30	US	New York Fed Manufacturing index (points)	Jun	-8,6	12,8	17,8
18. 11 : 00	DE	ZEW Economic Sentiment (points)	Jun	-21,1	-5,9	-2,1
11 : 00	EZ	CPI (final, yoy, %)	May	1,2	1,2	1,2*
14 : 30	US	Housing starts (annualized monthly, '000s)	May	1269	1239	1235
14 : 30	US	Building permits (annualized monthly, '000s)	May	1294	1296	1290
15 : 00	EZ	Panel discussion of Janet Yellen, Mark Carney and Mario Draghi	-	-	-	-
19. 10 : 30	UK	Inflation (yoy, %)	May		2,0	2,1
10 : 30	UK	Core inflation (yoy, %)	May		1,7	1,8
20 : 00	US	Interest rate decision (%)	Jun		2,25-2,5	2,25-2,5
5 : 00	JP	Interest rate decision (%)	Jun		-0,1	-0,1
10 : 30	UK	Retail sales (mom, %)	May		-0,5	0,0
13 : 00	UK	Interest rate decision (%)	Jun		0,75	0,75
14 : 30	US	Continuing jobless claims ('000s)	weekly		1688	1695
14 : 30	US	Initial jobless claims ('000s)	weekly		220	222
16 : 00	EZ	Consumer confidence (point)	Jun		-6,5	-6,5
16 : 00	US	Leading index (mom, %)	May		0,1	-0,1
21. 1 : 30	JP	CPI (yoy, %)	May			0,9
1 : 30	JP	core-CPI (yoy, %)	May		0,8	0,9
2 : 30	JP	Nikkei Manufacturing PMI (points)	Jun		-	49,8
8 : 30	HU	Balance of payments (quarterly, EURm)	Q1			-0,3
9 : 15	FR	Markit Manufacturing PMI (points)	Jun		50,7	50,6
9 : 15	FR	Markit Service PMI (points)	Jun		51,5	51,5
9 : 30	DE	Markit Manufacturing PMI (points)	Jun		44,5	44,3
9 : 30	DE	Markit Service PMI (points)	Jun		55,4	55,4
10 : 00	EZ	Markit Manufacturing PMI (points)	Jun		48,0	47,7
10 : 00	EZ	Markit Service PMI (points)	Jun		52,9	52,9
15 : 45	US	Markit Manufacturing PMI (points)	Jun		50,4	50,5
15 : 45	US	Markit Service PMI (points)	Jun		51,0	50,9
16 : 00	US	Existing home sales (mom, %)	May		5250	5190

\*preliminary data

Sources: Reuters, OTP Research

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This document was prepared on 19 June 2019.

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