

Global Daily Report



Treasury Sales Team

+40372 31 85 88

sales.treasury@otpbank.ro

www.otpresearch.com

Summary

- US indices hit new highs.
- Italy's 10Y bond yield dived 25 bps and Germany's 10Y Bund is at record low.
- The USA imposed substantial tariffs on steel imports from Vietnam.
- There is no trading in the USA today.

Optimism on the world's stock markets persisted on Wednesday. In Europe, investors were inspired by Christine Lagarde's nomination to ECB president, expecting that the eurozone's central bank would maintain its loose monetary policy. The Stoxx600 advanced 0.8%, the FTSE and the DAX climbed 0.7% each, and Italy's benchmark jumped 2.4% higher. It is chiefly the defensive sectors that made headway; the Stoxx600's health care index arrived at a multi-year peak, the food component hit all-time high, and the real estate sector outperformed too. Despite expectations about the interest rate environment, banks outperformed the European benchmarks. Conversely, Europe's chip makers fell on news that the US Department of Commerce was still blacklisting Huawei even though President Trump said at the weekend that the ban would be lifted. In the eurozone Germany's 10Y Bund yield shed two basis points yesterday, to a record low of -0.39%, and France's yield sank five basis points. Italy's 10Y yield fell 25 basis points after the Commission suspended the EDP (excessive deficit procedure) against Italy, whose government has taken measures to hold back the ballooning public debt.

In Wednesday's shorter trading session ahead of Independence Day; the key stock indices hit record high, generating low turnover. The Dow and the Nasdaq100 added 0.7%, and the S&P gained 0.8%. On both sides of the Atlantic, investors sought high-dividend-yield stocks, as the US 10Y bond yield fell to a nearly three-year low. Real property and consumer staples were the strongest sectors within the S&P.

Import tariffs remained a hot topic on Wednesday, when the USA raised tariffs on steel imports from Vietnam to 456%.

The US dollar slightly weakened yesterday; the macroeconomic statistics released on Wednesday signify economic slowdown in the USA. The services sector ISM index fell to two-year low while the private sector's new jobs missed expectations and factory new orders contracted for the second month in a row. President Trump's new Twitter post accused China and Europe of currency manipulation, adding that in this situation the USA has no choice than to pick up the gauntlet. The EUR/USD sank less than 0.1%, to 1.1277. The pound barely moved, on thin volumes.

Commodity markets edged higher yesterday. WTI and Brent grew by 1.4% and 2.3% respectively – one reason may be that the number of active wells in the USA missed expectations, according to weekly statistics. In industrial metals, copper price rose by 0.8%. Gold jumped 1% higher.

Asia's markets closed mixed today: Japan's indices were heading higher, while China's benchmarks inched down. The USD/JPY stagnated.

Today's publications include the eurozone's retail sales statistics for May. Today's meeting of the National Bank of Romania is not expected to change interest rates.

	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	2995,8	0,8	19,5	VIX	12,6	-2,8	-51	WTI	57,3	1,4	26,3
	DOW	26966,0	0,7	15,6	US 2Y	1,77	0,1	-73	Brent	63,82	2,3	18,6
	Nasdaq100	7857,7	0,7	24,1	US 10Y	1,96	-2,2	-74	Gold	1418,5	0,0	10,6
	DAX	12616,2	0,7	19,5	GER 2Y	-0,75	-0,4	-16	Silver	15,30	0,0	-1,2
	CAC40	5618,8	0,8	18,8	GER 10Y	-0,38	-1,9	-63	EUR/USD	1,1277	-0,1	-1,7
	FTSE 100	7609,3	0,7	13,1	PT10Y	0,30	-7,9	-142	EUR/GBP	0,8966	0,1	-0,2
	FTSE MIB	21905,3	2,4	19,5	IT 10Y	1,61	-24,5	-116	EUR/NOK	9,6270	-0,4	-2,8
	Stoxx600	392,6	0,8	16,3	SP 10	0,22	-7,7	-120	USD/CAD	1,3053	-0,4	-4,3
	- Banks	115,1	1,3	1,9	iTRAXX	49,1	-1,0	-44	AUD/USD	0,7028	0,5	-0,3
	Nikkei 225	21698,8	0,3	8,4	JPY 2Y	-0,22	0,5	-8	USD/JPY	107,82	-0,1	-1,6
SSEC	3007,9	-0,2	20,6	JPY 10Y	-0,15	-0,1	-16	GBP/USD	1,2571	-0,2	-1,5	
Regional	RTS	1401,5	0,2	31,5	RUS10	7,4	-0,1	-15	USD/RUB	63,314	0,0	-9,1
	WIG20	2345,56	0,2	3,0	POL 10	2,3	-2,0	-19	EUR/PLN	4,24	-0,1	-1,2
	PX50	1049,3	0,8	6,4	CZ10	1,5	-1,4	-23	EUR/RON	4,715	-0,4	1,4
Hungary	BUX	40985	0,5	4,7	3M DKJ	0,16	-1,0	9	EUR/HUF	322,15	-0,3	0,4
	OTP	11990	1,7	6,2	1Y	0,28	-1,0	-17	USD/HUF	285,54	-0,2	2,1
	MOL	3070	-1,1	-0,3	3Y	0,85	-7,0	-41	CHF/HUF	289,66	0,1	1,5
	MTelekom	425	-0,1	-3,4	5Y	1,45	-15,0	-108	PLN/HUF	75,98	-0,1	1,9
	Richter	5300	1,1	-2,4	10Y	2,43	-16,0	-61	GBP/HUF	358,91	-0,3	0,8

* 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	7. 1.	2 : 30	JP	Nikkei Manufacturing PMI (points)	Jun	49,3	-	49,5
		9 : 00	HU	Manufacturing PMI (points)	Jun	54,4	-	57,9
		9 : 00	-	OPEC Meeting	-	-	-	-
		11 : 00	EZ	Unemployment rate (%)	May	7,5	7,6	7,6
		16 : 00	US	Construction expenditure (mom, %)	May	-0,8	0,2	0,4
		16 : 00	US	Jerome Powell speech	Jun	51,7	51,5	52,1
		2. 9 : 00	HU	Trade balance (detailed, monthly, EUR mn)	Apr	245	-	228*
		9 : 00	HU	Government sector balance (in % of GDP)	Q1	0,1	-	2,2
		3. 9 : 00	TR	Inflation (yoy, %)	Jun	15,7	15,7	18,7
		14 : 00	PL	Interest rate decision (%)	Jul	1,5	1,5	1,5
		14 : 15	US	ADP non-farm employment (mom, '000s)	Jun	102	140	41
		14 : 30	US	Continuing jobless claims ('000s)	weekly	1686	1675	1694
		14 : 30	US	Initial jobless claims ('000s)	weekly	221,0	223	227
		16 : 00	US	Factory orders (mom, %)	May	-0,7	-0,5	-1,2
		16 : 00	US	ISM non-Manufacturing PMI (points)	Jun	55,1	55,9	56,9
		4. 9 : 00	HU	Retail sales (first estimate, yoy, %)	May		-	8,5
		11 : 00	EZ	Retail sales (mom, %)	May		0,3	-0,4
		14 : 00	RO	Interest rate decision (%)	Jul		2,5	2,5
		5. 8 : 00	DE	Industrial orders (mom, %)	May		-0,1	0,3
		9 : 00	HU	Industrial production (preliminary, yoy, %)	May		-	6,3
	10 : 00	HU	International reserves (preliminary, EURbn)	Jun		-	26,7	
	14 : 30	US	Average earnings (yoy, %)	Jun		3,2	3,1	
		US	Average earnings (mom, %)	Jun		0,3	0,2	
	14 : 30	US	Unemployment rate (%)	Jun		3,6	3,6	
	14 : 30	US	Non-farm payroll (mom, '000s)	Jun		160	75	

*preliminary data

Sources: Reuters, OTP Research

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

Analyst
Orsolya Rátkai
ratkaio@otpbank.hu
+36 1 374 7270

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