

Global Daily Report



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Summary

- Trump threatens China with additional customs duties and the restriction of China's shareholdings in the technology sector, while the Chinese president has also released warning.
- The forint weakening continues, the exchange rate nears the historic low.
- Crude oil prices decreases further.

The week kicked off in a negative sentiment in international equity markets as concerns over a global trade war intensify. Following the Twitter message by President Trump on Friday, saying that cars from Europe would have a 20% import duty on the US, the shares of European carmakers on Monday fell dragging down also the Stoxx600. Dax fell 2.5%, FTSE lost 2.2%, Stoxx600 was down by 2.1%. Italian assets were under heavy sales pressure again after the weekend success of the League in the municipal elections; the FTSE_MIB fell 2.4%, the Italian 10Y treasury yield rose 13 basis points. In London, commodity stocks became the losers of the day, concerns about the negative impact of the commercial war on global growth weighed on Glencore (-4.7%) and Anglo American (-4.5%), but other companies in the sector also declined 2-3%, including oil producers.

The week did not start at a better mood in US stock markets: if the current tensions were not enough between the US and its trading partners, the US government opened a new frontline and according to the reports emerged the US Treasury would submit a proposal to limit Chinese investment in the technology sector. Towards the end of trading, officials from the US government denied such plans, so indexes were slightly corrected, but Nasdaq100 fell by 2.2%, S&P declined 1.4%, and Dow dropped 1.3%. The decline was broadbased with 26 of the 30 members of Dow declining and 9 of the S&P's 11 sectors weakened. To the greatest extent, the cyclical consumption sector, technology and telecommunications, while the non-cyclical consumer segment and utilities increased only.

In the region, Hungarian and Polish stocks followed the European trend, BUX dropped 0.9% and WIG20 declined 0.3%, while Czech PX strengthened by 0.2%. Hungarian blue chips were on a declining track, with the exception of Richter, and with MTelekom as the biggest loser (-1.7%). The winner of the day was Raba with a 1.5% increase among BUX-members.

EURHUF closed at 325.68, which corresponds to an 0.3% depreciation compared to Friday's level. The forint appreciated against the dollar, the exchange rate dropped slightly below 278.5, while the dollar weakened against the euro, the British pound and the yen on Monday. In the domestic market of government securities, there was hardly any movement, T-bill yields decreased by 2-2 basis points, while bond yields remained virtually unchanged. After yesterday's FX-swap tender held by the MNB, the banking system liquidity remained unchanged at 1989 billion forints. Today, ÁKK sells 3M T-bills in the amount of HUF 40bn.

Investors are still digesting the current Turkish president Erdogan's weekend victory in the early elections. Yesterday, in the first half of the trading, the Turkish lira grew stronger, then it turned and, after several reversals, the currency closed in a slight plus. At the same time, the Turkish stock market benchmark fell by 2%

Crude oil prices dropped further, Brent declined 1.4%, WTI fell 0.6%.

Asian stock markets closed mostly in the red this morning, but Japanese stocks have risen. Local banks benefited from the strengthening yen, offsetting the decline of telecommunication and technology papers.

For today, house-price statistics and consumer confidence index are scheduled in the US.

	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	2754,9	0,2	3,0	VIX	13,8	-5,9	25	WTI	68,6	4,6	13,5
	DOW	24580,9	0,5	-0,6	US 2Y	2,55	1	66	Brent	75,55	3,4	13,0
	Nasdaq100	7197,5	-0,3	12,5	US 10Y	2,90	0	49	Gold	1268,5	0,1	-2,6
	DAX	12579,7	0,5	-2,6	GER 2Y	-0,70	-1	-6	Silver	16,43	0,8	-3,0
	CAC40	5387,4	1,3	1,4	GER 10Y	0,33	0	-9	EUR/USD	1,17	0,5	-2,8
	FTSE 100	7682,3	1,7	-0,1	PT10Y	1,86	-1	-7	EUR/GBP	0,88	0,3	-1,1
	FTSE MIB	21888,5	1,0	0,2	IT 10Y	2,71	-4	71	EUR/NOK	9,44	0,1	-4,2
	Stoxx600	385,0	1,1	-1,1	SP 10	1,37	2	-20	USD/CAD	1,33	-0,3	5,5
	- Banks	142,6	1,6	-13,6	iTRAXX	70,8	-0,3	57	AUD/USD	0,74	0,8	-4,6
	Nikkei 225	22338,2	-0,8	-1,9	JPY 2Y	-0,13	0	0	USD/JPY	109,96	0,0	-2,4
	SSEC	2869,4	-0,7	-13,2	JPY 10Y	0,03	0	-2	GBP/USD	1,33	0,1	-1,8
Regional	RTS	1125,4	1,3	-2,5	RUS10	7,7	-0,1	1	USD/RUB	62,925	-1,1	9,1
	WIG20	2162,88	0,6	-12,1	POL 10	3,2	-0,6	-4	EUR/PLN	4,32	-0,1	3,5
	PX50	1064,1	0,0	-1,3	CZ10	2,2	0,7	46	EUR/RON	4,659	-0,2	-0,4
Hungary	BUX	35397	1,0	-10,1	3M DKJ	0,24	-1	20	EUR/HUF	324,56	-0,5	4,5
	OTP	10080	2,3	-6,0	1Y	0,47	0	42	USD/HUF	278,49	-0,9	7,6
	MOL	2614	1,2	-13,0	3Y	1,89	1	134	CHF/HUF	282,01	-0,4	6,4
	MTelekom	406	-0,6	-11,4	5Y	2,30	0	113	PLN/HUF	75,06	-0,3	1,1
	Richter	5015	-1,0	-26,0	10Y	3,57	0	152	GBP/HUF	370,58	-0,4	6,1

* 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 6. 25.	10 : 00	DE IFO Economic sentiment index (points)	June		101,7	102,2
	16 : 00	US New home sales (annualized monthly, '000s)	May		666	662
26.	15 : 00	US Case-Shiller Home Price Index (yoy, %)	Apr.		-	7
	16 : 00	US ECB conference	jún.		128	128
27.	13 : 00	CZ Interest rate decision (%)	June		-	1
	14 : 30	US Durable goods orders (mom, %)	May		0,2	-2
	16 : 00	US Pending home sales (mom, %)	May		1	-1,3
28.	9 : 00	HU Inflation report	May		-	3,8
	11 : 00	EZ EC Economic Sentiment Index (points)	June		112,0	112,5
	14 : 00	DE CPI (flash, yoy, %)	June		2,2	2,2
	14 : 30	US GDP (3rd estimate, annualized, qoq, %)	Q1		2,2	2,2
29.	8 : 00	DE Retail sales (mom, %)	May		-0,6	2,3
	9 : 00	HU Industrial producer prices (yoy, %)	May		-	2,7
	11 : 00	EZ CPI (flash, yoy, %)	June		2,0	1,9
	11 : 00	EZ Core CPI (flash, yoy, %)	June		1,0	1,1
	14 : 30	US Personal income (mom, %)	May		0,4	0,3
	14 : 30	US Personal consumption (adjusted, mom, %)	May		0,4	0,6
	15 : 45	US Chicago PMI (points)	June		60,1	62,7
30.	3 : 00	CN NBS Manufacturing PMI (points)	June		51,6	51,9
	3 : 00	CN NBS non-Manufacturing PMI (points)	June		-	54,9

* preliminary data

Sources: Reuters, OTP Research

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