

Treasury Sales Team

Alina Elena Vrabioiu

+4021 307 58 17

alina.vrabioiu@otpbank.ro

Irina Ananiese

+4021 307 58 17

irina.ananiese@otpbank.ro

Tania Fantana

+4021 307 58 17

tania.fantana@otpbank.ro

Chief Economist

Gergely Tardos

+36 1 374 7273

tardosg@otpbank.hu

FX/FI Strategist

Levente Pápa

+36 1 354 7490

papal@otpbank.hu



Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	14 832	↑ 0,89	↑ 0,89
S&P500	1 598	↑ 0,94	↑ 0,78
Nasdaq100	2 911	↑ 1,32	↑ 2,19
Russell2000	940	↑ 1,69	↓ -0,05
Stoxx600	298	↑ 0,32	↑ 0,34
DAX	7 962	↑ 0,61	↑ 1,64
FTSE 100	6 461	↑ 0,15	↑ 0,28
CAC40	3 859	↑ 0,05	↑ 0,48
ATX	2 363	↓ -2,13	↓ -3,09
IBEX35	8 406	↓ -0,15	↑ 0,49
Nikkei 225	13 799	↑ 0,77	↓ -0,61
Hang Seng	22 668	↓ -0,30	↑ 1,19
SSEC	2 174	↓ -0,17	↓ -1,15
SENSEX	19 736	↑ 1,19	↑ 1,69
RTS	1 387	↓ -1,40	↓ -0,04
Bovespa	55 322	↓ -1,05	↑ 0,65

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3063	↓ -0,87	↑ 0,39
EUR/CHF	1,2214	↓ -0,05	↓ -0,61
USD/GBP	1,5533	↓ -0,12	↑ 0,65
USD/JPY	97,95	↑ 0,59	↓ -1,31
AUD/USD	1,0244	↓ -0,31	↓ -0,43
USD/CAD	1,0102	↑ 0,19	↓ -0,92

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	13,6	↓ -0,9	↓ 0,0
EMBI+ Spread	287	↑ 12	↑ 30
CDS 5Y PIIS	204	↓ -3	↓ -12
CDS 5Y Italy	205	↓ -5	↓ -9
CDS 5Y Belg.	38	↓ 0	↓ -1
iTraxx 5Y EU	95,3	↓ -5	↓ -10
US TED Spread	21,8	→ 0	↓ 0

Source: Reuters, OTP Research

Summary

- Europe's and America's key indices closed in the positive territory on Thursday.
- As expected, the ECB lowered its benchmark rate by 25 basis points to 0.5%, and stands ready for negative interest rate, in lieu of the current 0% deposit rate.
- The better-than-expected weekly unemployment data contributed to US indices' gains.

The key indices of Europe and America benefited from news on the ECB's rate cut. The DAX upped 0.6% and the FTSE added 0.15%, whereas the CAC40 stagnated. The Capgemini IT services company soared 7.7% in Paris as the management sticks to its annual profit target despite the adverse economic environment. The semi-conductor manufacturer Infineon increased its annual revenue and profit forecasts, triggering a 10% hike. Glencore added 5.4% after its merger with Xstrata was completed. British Petrol benefited 0.2% from a report on 1% higher revenue. Publishing disappointing quarterly figures slashed Sanofi's share price by 0.8%.

Opel's flash report beat expectations: its revenue contracted by 2.3% whereas its profit fell 'just' 14%, as opposed to analysts' consensus of 40% plunge.

BNP Paribas gave account of 45% lower profit, with 2% higher revenue but declining investment results and provisions because of its non-performing loans in Italy. This is better than the 52% fall expected by analysts' consensus.

In the USA, the trading sentiment benefited from the improved weekly unemployment data. Both the Dow and the S&P climbed 0.9% higher, and the Nasdaq advanced 1.3%. General Motors rallied 3.2% after giving account of smaller-than-expected decline in its quarterly profit. Facebook's 5.6% gain was supported by the better-than-expected revenue figures released on the previous day. Intel's 0.5% increase was supported by news that Brian Krzanich would become CEO.

According to its quarterly report, LinkedIn's revenues swelled by 72% year on year, 2% higher than the consensus, while the company's profit quadrupled and exceeded analysts' estimates by 45%. Still, its shares plummeted 10% in after-hours trading, as the management outlined smaller-than-expected profit forecast for the next quarter.

The ECB's decision to reduce the key policy rate weakened the euro by 0.9% to the dollar, pushing the EUR/HUF to 1.306. Brent oil upped 2.9%, and gold price upped by 0.65%.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,20	↓ -1	↓ -3
US 10Y	1,63	↓ -4	↓ -7
JP 2Y	0,12	↓ -1	↓ 0
JP 10Y	0,59	↓ -2	↓ -2
GER 2Y	0,00	→ 0	↓ -2
GER 10Y	1,21	→ 0	↓ -5

CENTRAL BANKS' RATES

	Rate (%)	6M Consensus	1Y Consensus
Fed Funds	0,25	→ 0,25	→ 0,25
ECB Rate		0,50	0,50
BOE Rate	0,50	→ 0,50	→ 0,50
BOJ Rate	0,10	→ 0,10	→ 0,10
SNB Target	0,00	→ 0,00	→ 0,00

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
US 3M Libor	0,27	→ 0	↓ 0
US 2Y Swap	0,32	↓ 0	↓ -2
US 5Y Swap	0,80	↓ -1	↓ -5
EUR 3M Euribor	0,21	→ 0	↑ 0
EUR 2Y Swap	0,33	↓ -4	↓ -6
EUR 5Y Swap	0,71	↓ -2	↓ -4
GB 3M Libor	0,51	→ 0	↑ 0
GB 2Y Swap	0,56	↓ -1	↓ 0
GB 5Y Swap	0,89	↓ -2	↓ -1
JP 3M Libor	0,16	→ 0	→ 0
JP 2Y Swap	0,25	↓ -1	↓ 0
JP 5Y Swap	0,36	↓ -2	↓ -1
CHF 3M Libor	0,02	→ 0	→ 0
CHF 2Y Swap	0,03	↓ -2	↓ -2
CHF 5Y Swap	0,32	↓ -2	↓ -4

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	102,9	↑ 2,90	↓ -0,54
Gold	1 466	↑ 0,65	↓ -0,05

Source: Reuters, OTP Research

In line with market expectations, the ECB cut its benchmark rate by 25 basis points, to a record low of 0.5%. At the press conference following the event, President Mario Draghi cited the lack of strong inflationary pressure in the medium term, as well as subdued lending and feeble economic growth among the reasons. The ECB keeps tabs on economic developments, it cannot rule out another rate cut, and stands ready to apply negative interest rate, instead of the current 0% on central bank deposits. Reducing sovereign debts requires further structural reforms, the President added. The unlimited lending programme for banks will be sustained until 2014 and there are plans to take steps to boost asset-backed securities' (ABS) market.

In the USA, initial jobless claims dropped from the expected 345,000 to 324,000, whereas continued jobless claims declined to 3.019 million, instead of the estimated 3.028 million.

Today's important data releases include the Eurozone's producer price index for March, US non-farm payrolls, as well as private payrolls, unemployment rate, and factory goods orders.

	COUNTRY	DATE		FACT	CONSENSUS	PREVIOUS
Thursday	EZ	May	ECB refinancing rate (%)	0,5	0,5	0,75
	US	weekly	Initial jobless claims (ths)	324	345	339
	US	weekly	Continued jobless claims (ths)	3 019	3 028	3 000
Friday	EZ	Mar	Producer prices (mom, %)		-0,2	0,2
	US	Apr	Non-farm payrolls (ths)		145	88
	US	Apr	Private payrolls (ths)		160	90
	US	Apr	Unemployment rate (%)		7,6	7,6
	US	Mar	Factory orders (mom, %)		-2,6	3,0

Source: Reuters, OTP Research

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

FX/FI Strategist
Levente Pápa
papal@otpbank.hu
+36 1 354 7490

Fundamental Analyst
Dávid Andor Rác
raczd@otpbank.hu
+36 1 374 7270

Disclaimer

OTP Bank Plc. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This material is only for information purposes and it is not intended as an investment advice, an offer or solicitation for the purchase or sale of any financial instrument, and it does not constitute legal, tax or accounting advice.

Information herein reflects the market situation at the time of writing. It provides only momentary information and may change as market conditions and circumstances develop. Additional information may be available on request. Although the information in this document has been prepared in good faith from sources which OTP Bank believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. Opinions and estimates constitute our judgment and are subject to change without notice. OTP Bank may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments is made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. Any concrete individual decision or investment made based on this publication is the sole risk of the Client and OTP Bank shall not be held responsible for the success of the investment decisions or for attaining the Client's target.

Figures described herein refer to the past and past performance is not a reliable indicator of future results.

OTP Bank Plc. (registered seat: Nádor utca 16., Budapest H-1051, Hungary; Supervisory authority: Hungarian Financial Supervisory Authority (PSZÁF, Pénzügyi Szervezetek Állami Felügyelete – H-1013 Budapest, Krisztina krt. 39.sz.) PSZÁF licence numbers: III/41.003-22/2002 and E-III/456/2008. For more information, please refer to: <https://www.otpbank.hu/portal/hu/Megtakaritas/Ertekpapir/MIFID>). All rights reserved. This publication is exclusively owned by OTP Bank Plc., no part of this material can be reproduced, re-used or disseminated without the prior written consent of OTP Bank Plc.

If you received this document from OTP Bank Plc, then it was sent to you with your previous consent. You may withdraw this permission by sending an e-mail to elemzes@otpbank.hu or writing a letter addressed to "Research Center" Hungary 1051, Budapest Nádor utca. 21. Please refer to your name and e-mail address in both cases.

Disclaimer for OTP Bank Romania S.A. customers

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centred on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to mihaela.neagu@otpbank.ro or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases