

Treasury Sales Team

Headquarter Treasury Sales

Alexandru Tibuleac
0372 31 85 85
alexandru.tibuleac@otpbank.ro

Cristian Ilie
0372 31 85 86
ilie.cristian@otpbank.ro

Corina Bejan
0372 31 85 84
corina.bejan@otpbank.ro

Andreea Nica
0755 000 106
andreea.nica@otpbank.ro

Regional Treasury Sales

Szilamer Kozma - Cluj
0755 000 400
szilamer.kozma@otpbank.ro

Tudor Zaman - Bucuresti
0755 000 199
tudor.zaman@otpbank.ro

Laura Sirbu - Bucuresti
0729 963 540
laura.sirbu@otpbank.ro

Alexandru Sabin - Arad
0730 577 959
alexandru.sabin@otpbank.ro



Daily Report – Global Markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 891	↑ 0,66	↓ -0,48
S&P500	2 081	↑ 0,78	↓ -0,30
Nasdaq100	4 381	↑ 0,92	↓ -2,07
Russell2000	1 141	↑ 0,89	↓ -0,85
Stoxx600	341	↓ -0,07	↓ -1,57
DAX	10 123	↑ 0,84	↓ -1,66
FTSE 100	6 242	⇒ 0,00	⇒ 0,00
CAC40	4 443	↑ 0,31	↓ -2,27
ATX	2 323	↓ -0,27	↑ 0,11
IBEX35	9 022	↓ -0,04	↓ -1,29
Nikkei 225	16 147	⇒ 0,00	↓ -6,95
Hang Seng	20 832	↓ -1,12	↓ -2,69
SSEC	2 983	↑ 1,52	↑ 0,61
SENSEX	25 562	↑ 0,49	↓ -0,60
RTS	951	⇒ 0,00	⇒ 0,00
Bovespa	53 562	↓ -0,65	↑ 3,28

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1529	↑ 0,65	↑ 2,30
EUR/CHF	1,1004	↑ 0,21	↑ 0,09
USD/GBP	1,4671	↑ 0,41	↑ 0,62
USD/JPY	105,76	↓ -0,60	↓ -4,98
AUD/USD	0,7586	↓ -1,03	↓ -2,08
USD/CAD	1,2480	↓ -0,38	↓ -0,97
USD/RUB	64,76	↓ -0,63	↓ -0,71

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	14,7	↓ -1,0	↑ 0,6
CDS 5Y PIIS	15	↑ 0,3	↓ -0,5
CDS 5Y Italy	113	↑ 0,4	↓ -1,2
CDS 5Y Belg.	108	↑ 0,4	↑ 0,5
iTraxx 5Y EU	37,7	↑ 2,4	↑ 4,7
US TED Spread	73,0	⇒ 0,0	↑ 5,9

Source: Reuters, OTP Research

Summary

- Western Europe's stock exchanges started May on a quiet note, with most indices closing higher.
- In the optimistic US trading, Amazon's sustained rally drove the consumption sector; tech shares also fared well.
- The EUR hit an 8-month high versus the USD.

In Monday's quiet trading Western Europe's indices made subtle moves; the London Stock Exchange was closed due to bank holiday. The Stoxx600 nudged 0.1% lower, generating two thirds of the usual trading volume. A drop in oil prices weakened energy shares, and Iraq's peak output slashed the Brent by more than 3%, below 46 USD/barrel yesterday. The DAX rallied 0.8%; the winner of the day, Allianz surged 2.7%, after reporting 21% profit growth in the first quarter, beating analysts' forecasts. The weakest name, Deutsche Bank dived 3.5% yesterday; its combined loss in the past two trading days totalled 6.3%; reportedly, a huge deal, possibly involving money laundering by Russian clients is investigated by Britain's financial regulator as well. Things did not go well in Italy, where the Milan stock index sank 1.0% following the failure of an IPO (initial public offering) by Banca Popolare di Vicenza; in the absence of private investors, most shares were bought by the Atlante fund, which had been founded to rescue banks. UniCredit, one of Atlante's biggest investors plunged nearly 4%; and another large contributor to the fund, Intesa Sanpaolo, closed 2% in the red. A number of important corporate reports will see the light of day in Western Europe, including those of BMW, Commerzbank, Lufthansa, Infineon (the chipmaker is seen as one of the biggest beneficiaries of Germany's electric car programme), and HSBC in the United Kingdom.

America's key indices closed in positive territory yesterday: the S&P added 0.8%, the Dow advanced 0.7%, and the technology sector also fared well. The S&P benefited from Amazon's spurring consumption names and financial services providers; the real property sector also performed well. The energy sector was the only loser in the S&P; yesterday the WTI fell 2.5%, below 45 USD/barrel. Following a rally on the heels of Friday's earnings report, Amazon topped its gains by 3.7% yesterday, bringing its two-day growth to nearly 14%. Google and Facebook were the tech sector's outperformers; Microsoft closed 1.5% higher. The earnings season is in full swing – dozens of reports are due out today, including those of Halliburton (which recently gave up plans of a USD 28 billion acquisition), Pfizer, and Universal.

Japan's stock markets are closed from Tuesday to Thursday this week. Elsewhere in Asia, markets closed mixed this morning. Re-opening after Monday's holiday, the Shanghai Composite rose by 1.5% and the Hang Seng shed 1.1%.

The euro's appreciation led the EUR/USD to 1.15, a level last seen in August 2015. The yen's firming versus the greenback continued.

GOV'T BOND MARKET

	Yield (%)		Daily chg (bp)		Weekly chg (bp)
US 2Y	0,78	↑	0	↓	-6
US 10Y	1,86	↑	3	↓	-5
JP 2Y	0,00	↑	24	↑	27
JP 10Y	0,00	↑	10	↑	6
GER 2Y	-0,48	↑	2	↑	3
GER 10Y	0,27	↑	3	↑	5

CENTRAL BANKS' RATES

	Rate (%)		6M Consensus		1Y Consensus
Fed Funds	0,5	↑	0,75	↑	1,25
ECB Rate	0,00	↑	0,05	↑	0,05
BOE Rate	0,50	↑	0,75	↑	1,00
BOJ Rate	0,00	↑	0,10	↑	0,10
SNB Target	-0,75	⇒	-0,75	⇒	-0,75

MONEY MARKET

	Rate (%)		Daily chg (bp)		Weekly chg (bp)
US 3M Libor	0,00	⇒	0	↑	0
US 2Y Swap	0,89	↓	-2	↓	-7
US 5Y Swap	1,25	↓	-3	↓	-7
EUR 3M Euribor	-0,25	↑	0	⇒	0
EUR 2Y Swap	-0,15	↓	-2	↑	1
EUR 5Y Swap	0,06	↓	-1	↓	-1
GB 3M Libor	0,00	↓	0	↑	0
GB 2Y Swap	0,86	↓	-1	↑	4
GB 5Y Swap	1,13	↑	1	↓	-2
JP 3M Libor	0,00	⇒	0	↑	2
JP 2Y Swap	-0,13	↓	-1	↑	4
JP 5Y Swap	-0,07	↑	1	↑	3
CHF 3M Libor	0,00	⇒	0	↓	-1
CHF 2Y Swap	-0,71	↓	-2	↓	0
CHF 5Y Swap	-0,54	↑	1	↓	-2

COMMODITIES

	Close		Daily chg. (%)		Weekly chg. (%)
Oil Brent	46,3	↑	0,96	↑	1,16
Gold	1 298	↑	0,54	↑	4,47

Source: Reuters, OTP Research

The eurozone's manufacturing purchasing managers' index for April, at 51.7 has beaten forecasts (51.5). The PMIs for Italy and Spain improved even stronger, while that of Germany slightly decreased last month.

China's manufacturing PMI was short of expectations but have greatly improved since March, and it is nearing the 50-point threshold that indicates economic growth.

Today the UK is to publish Markit's manufacturing PMI, and vehicle sales data are due out in the USA.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS	
Monday	JP	Apr	Manufacturing PMI (point)	48,2	-	48,0	
	IT	Apr	Manufacturing PMI (point)	53,9	53,0	53,5	
	ES	Apr	Manufacturing PMI (point)	53,5	53,0	53,4	
	CH	Apr	Manufacturing PMI (point)	54,7	52,8	53,2	
	DE	Apr	Manufacturing PMI (point)	51,8	51,9	51,9	
	EZ	Apr	Manufacturing PMI (point)	51,7	51,5	51,5	
	US	Apr	Manufacturing PMI (point)	50,8	-	50,8	
	US	Apr	Construction spending (mom, %)	0,3	0,3	-0,5	
	Tuesday	CZ	Apr	Caixin Manufacturing PMI (points)	49,4	49,9	48,0
		UK	Apr	Markit Manufacturing PMI (points)		51,1	51,0
US		Apr	Total vehicle sales (millions)		17,3	16,4	

Source: Reuters, OTP Research

Chief Economist

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

Fundamental Analyst

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

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