

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 651	↓ -0,56	↓ -2,16
S&P500	2 051	↓ -0,59	↓ -2,10
Nasdaq100	4 341	↓ -0,91	↓ -2,51
Russell2000	1 122	↓ -1,68	↓ -2,81
Stoxx600	332	↓ -1,12	↓ -4,74
DAX	9 828	↓ -0,99	↓ -4,58
FTSE 100	6 112	↓ -1,19	↓ -3,29
CAC40	4 324	↓ -1,09	↓ -5,16
ATX	2 240	↓ -1,50	↓ -3,85
IBEX35	8 654	↓ -1,26	↓ -7,27
Nikkei 225	16 147	ND	ND
Hang Seng	20 473	↓ -0,26	↓ -4,28
SSEC	2 986	↓ -0,17	↑ 1,38
SENSEX	25 230	↑ 0,51	↓ -0,60
RTS	913	↓ -4,05	↓ -1,57
Bovespa	52 553	↑ 0,56	↓ -3,53

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1485	↓ -0,09	↑ 1,22
EUR/CHF	1,0999	↑ 0,21	↑ 0,36
USD/GBP	1,4491	↓ -0,29	↓ -0,80
USD/JPY	107,02	↑ 0,02	↓ -0,98
AUD/USD	0,7501	↑ 0,60	↓ -1,63
USD/CAD	1,2823	↓ -0,34	↑ 2,18
USD/RUB	66,13	↓ -0,74	↑ 2,11

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	16,1	↑ 0,5	↑ 2,3
CDS 5Y PIIS	16	↑ 1,0	↑ 0,7
CDS 5Y Italy	114	↑ 2,5	↑ 1,3
CDS 5Y Belg.	110	↑ 0,3	↑ 0,7
iTraxx 5Y EU	38,0	↑ 2,6	↑ 4,3
US TED Spread	75,6	→ 0,0	↑ 4,4

Source: Reuters, OTP Research

Summary

- Wednesday's trading was rather pessimistic on Europe's stock markets.
- America's major indices also closed in the red.
- Disappointing US labour market data were released yesterday.

In Wednesday's pessimistic trading in Europe, the Stoxx600 and the CAC40 dropped 1.1%, the DAX shed 1%, and the FTSE100 lost 1.2%. Commodity producers did not fare well, as the price of copper decreased. BHP, the mining group dived 5.8% as Brazilian authorities launched a USD 43.5 billion lawsuit against the Samarco iron ore mine and its owners (BHP and Vale), over a mining disaster in November 2015. In microelectronics names, Dialog plunged 8.6%, as its most important partners, Apple and Samsung cut revenue forecasts. In the banking sphere, Societe General advanced 1.7% after announcing new cost-cutting measures and owing to better-than-expected profit in the first quarter. Denmark's AP Moller-Maersk rallied 6.4%, benefiting from stronger-than-expected quarterly figures.

In the USA, the benchmark indices also suffered losses. The Dow and the S&P500 sank 0.6% each, the NASDAQ100 fell 0.9%, and the Russell2000 contracted by 1.7%. The stock price of the Etsy e-commerce business rallied 5% owing to a whopping profit in its quarterly report. The sports clothing company Under Armour shrank 7.5%, after announcing the departure of more decision-makers. The 4% slide in Tesla shares can also be attributed to stepping down executives. Tesla published its Q1 report earlier this morning, posting USD 1,601 billion revenue in Q1 2016, in line with analysts' expectation of USD 1,597. Its net profit line printed USD 75 million loss, wrong-footing economists who had forecast USD 89 million.

In the unsupportive sentiment on Asia's markets, the Hang Seng slipped 0.3%, the SSEC nudged down 0.2%, while the SENSEX advanced 0.5%.

There were no strong swings on currency markets. The EUR lost 0.09% against the USD, but gained 0.21% versus the CHF. Ending a day of sideways moves, the USD/JPY closed near the morning's value.

On Wednesday the Brent oil rose to USD 45.85, before it sank to USD 44.4, ending Wednesday's session near the opening value.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,76	→ 0	↓ -5
US 10Y	1,81	→ 0	↓ -4
JP 2Y	-0,24	→ 0	↓ -1
JP 10Y	-0,10	→ 0	↓ -4
GER 2Y	-0,50	↓ -2	↓ -1
GER 10Y	0,21	↓ -6	↓ -9

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	0,63	↓ 0	↓ 0
US 2Y Swap	0,85	↓ -2	↓ -4
US 5Y Swap	1,19	↑ 0	↓ -5
EUR 3M Euribor	-0,25	↓ 0	↓ 0
EUR 2Y Swap	-0,16	↑ 0	↑ 1
EUR 5Y Swap	0,02	↑ 1	↓ -3
GB 3M Libor	0,59	↓ 0	↓ 0
GB 2Y Swap	0,82	↓ -1	↓ -1
GB 5Y Swap	1,06	↓ 0	↓ -10
JP 3M Libor	-0,02	→ 0	↑ 2
JP 2Y Swap	-0,13	→ 0	↓ -1
JP 5Y Swap	-0,08	→ 0	↓ -1
CHF 3M Libor	-0,73	↓ 0	↓ -1
CHF 2Y Swap	-0,73	↓ -5	↑ 0
CHF 5Y Swap	-0,58	↓ -2	↓ -2

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	45,3	↑ 1,43	↓ -5,98
Gold	1 282	↑ 0,25	↑ 1,28

Source: Reuters, OTP Research

Wrong-footing analysts who had expected stagnation, the eurozone's retail sales contracted by 0.5% month/month in March, down from the 0.2% increase in the previous month.

In the USA, the ADP non-farm employment grew by 156,000 in April, missing analysts' forecast of 194,000. US factory orders grew by 1.1% month on month in March, whereas economists had projected 0.8% increase.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	EZ	Mar	Retail sales (mom, %)	-0,5	0,0	0,2
	US	Apr	ADP non-farm payrolls (mom, ths)	156,0	194,0	200,0
	US	Mar	External trade balance (monthly, billion dollars)	-40,4	-47,2	-47,1
	US	Mar	Factory orders (mom, %)	1,1	0,8	-1,7
Thursday	RO	May	Base rate (%)		1,8	1,8
	CZ	May	Base rate (%)		-	0,1

Source: Reuters, OTP Research

Chief Economist

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

Fundamental Analyst

Balázs Lukács
lukacsba@otpbank.hu
+36 1 354 7490

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: Magyar Nemzeti Bank (National Bank of Hungary – 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 research@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 csaba.balint@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.