

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	17 530	↓ -1,02	↓ -2,22
S&P500	2 047	↓ -0,94	↓ -1,78
Nasdaq100	4 323	↓ -1,32	↓ -1,81
Russell2000	1 098	↓ -1,66	↓ -1,53
Stoxx600	335	↓ 0,00	↓ -0,45
DAX	9 890	↓ -0,63	↓ -1,55
FTSE 100	6 168	↑ 0,27	↑ 0,18
CAC40	4 298	↓ -0,34	↓ -0,94
ATX	2 207	↑ 0,24	↓ -0,98
IBEX35	8 699	↑ 0,19	↓ -0,87
Nikkei 225	16 645	↓ -0,05	↑ 0,48
Hang Seng	19 805	↓ -1,56	↓ -1,25
SSEC	2 796	↓ -1,68	↓ -1,45
SENSEX	25 558	↓ -0,84	↓ -0,60
RTS	932	↑ 0,28	↑ 3,86
Bovespa	50 839	↓ -1,86	↓ -4,20

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,1311	↓ -0,04	↓ -1,27
EUR/CHF	1,1090	↑ 0,23	↓ -0,05
USD/GBP	1,4462	↑ 0,46	↑ 0,11
USD/JPY	109,16	↑ 0,04	↑ 0,69
AUD/USD	0,7270	↓ -0,71	↓ -1,42
USD/CAD	1,2942	↑ 0,29	↑ 0,73
USD/RUB	64,94	↑ 0,24	↑ 0,11

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	15,6	↑ 0,9	↑ 1,9
CDS 5Y PIIS	16	↓ -0,2	↓ -1,7
CDS 5Y Italy	114	↑ 0,8	↓ -0,5
CDS 5Y Belg.	111	↓ -0,4	↓ -0,4
iTraxx 5Y EU	37,6	↑ 0,3	↑ 1,8
US TED Spread	77,8	⇒ 0,0	↓ -3,9

Source: Reuters, OTP Research

Summary

- Investor sentiment was rather unenthusiastic on global stock markets yesterday.
- The ECB's Chief Economist is calling for consolidation to enhance the banking system's profitability
- Suzuki's fuel testing may have been improper.

Tuesday's trading was rather gloomy on both sides of the Atlantic. The Stoxx600 stayed flat; the DAX shed 0.6%, the CAC40 dropped 0.3%, while the FTSE100 climbed 0.3% higher. In America, the S&P500 fell 0.9%, the NASDAQ lost 1.3%, and the Russell2000 sank 1.7%.

According to Peter Praet, the Chief Economist of the European Central Bank, the eurozone's banks are struggling with significant profitability problems, therefore the sector consolidation should be speeded up. The sector's profitability is hit by overcapacity, high costs, stronger competition induced by external players, and high level of NPL. But the Finance Watch's expert disagrees with him, arguing that if the banks that have grown because of the consolidation get into trouble, it will be inevitable to rescue them from taxpayers' money. Praet says the current regulation environment is missing 'something' that should tackle the risk caused by the low interest rate environment. In America, FOMC members Dennis Lockhart and John Williams made hints that interest rates may be raised in June, but they also pointed out that a lot depends on the data to be published in the meantime. In Europe, a Brexit poll by ORB/Telegraph found that that 55% of respondents would remain, 40% would leave the EU, and 5% cannot tell. The favourable opinion poll data helped the sterling firm in Tuesday's trading. A Bank of America Merrill Lynch survey polling fund managers reveals that investors see Brexit, the slowing Chinese economy, and the failure of ultra-loose monetary policies as the top risk factors.

This morning the Nikkei was slightly in the negative territory, despite the strong GDP reading from Japan. According to the New York Times' sources, Suzuki may have used improper methods when testing its cars' fuel consumption. This comes not long after a similar report concerning Mitsubishi; so Japan's Transport Ministry ordered car manufacturers to prepare a report to reveal how much they comply with the necessary testing procedures; the deadline is today. The Hang Seng slipped 1.6% and the SSEC dropped 1.7%. China's indices were dragged down by brokerage companies, in the lack of news about the much-awaited interconnection of the Shenzhen and Hong Kong stock exchange systems.

On Tuesday the price of oil drew near the 50-dollar mark, closing 2.3% higher as the American Petroleum Institute's most recent inventory report showed a 1.1-million-barrel contraction. This morning the Brent was seen rising 0.1%.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,84	↑ 5	↑ 11
US 10Y	1,77	↑ 2	↑ 1
JP 2Y	-0,25	↓ 0	↓ 0
JP 10Y	-0,11	↓ -1	↓ 0
GER 2Y	-0,51	↑ 0	↓ 0
GER 10Y	0,15	↑ 3	↑ 2

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	0,10	→ 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	0,94	↑ 3	↑ 9
US 5Y Swap	1,24	↓ 0	↑ 11
EUR 3M Euribor	-0,26	→ 0	↑ 0
EUR 2Y Swap	-0,16	↓ -1	↑ 1
EUR 5Y Swap	0,00	↑ 0	↑ 1
GB 3M Libor	0,00	↑ 0	↑ 0
GB 2Y Swap	0,76	↓ 0	↑ 1
GB 5Y Swap	0,97	↓ -2	↓ -1
JP 3M Libor	0,00	↓ 0	↓ -1
JP 2Y Swap	-0,15	↑ 1	↑ 1
JP 5Y Swap	-0,10	↑ 1	↓ 0
CHF 3M Libor	0,00	↑ 0	↓ 0
CHF 2Y Swap	-0,72	↑ 4	↓ -1
CHF 5Y Swap	-0,61	↑ 3	↑ 1

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	49,4	↑ 0,14	↑ 3,68
Gold	1 272	↓ -0,58	↓ -0,40

Source: Reuters, OTP Research

In the United Kingdom, the consumer price index was short of expectations, but the monthly increase in inflation in America has exceeded forecasts by a large margin.

In the USA the number of building permits was in line with expectations, while the housing starts gauge has considerably beaten them. Industrial production figures were reassuring, as were the capacity usage data.

Japan's Q1 GDP, released this morning, has vastly exceeded expectations, rising by 0.4% quarter/quarter. In China, home prices' growth accelerated to 6.2% year/year. Later in the day, the UK unemployment rate, the eurozone inflation, and the minutes of the most recent Fed meeting will be out

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	UK	Apr	New York Fed Manufacturing Index (points)	0,1	0,3	0,4
	UK	Apr	NAHB housing market index (points)	0,3	0,5	0,5
	US	Apr	CPI (final, mom, %)	0,4	0,3	0,1
	US	Apr	CPI (final, yoy, %)	1,1	1,1	0,9
	US	Apr	CPI (mom, %), SA	1116,0	1,1	1,1
	US	Apr	CPI (final, yoy, %)	1172,0	1,1	1,1
	US	Apr	Building permits (millions)	0,7	0,3	-0,6
	US	Apr	Housing starts (millions)	0,3	0,3	-0,3
	US	Apr	Industrial production (mom, %)	75,4	75,0	74,8
	Wednesday	JP	Q1	GDP (preliminary, qoq, %)	0,4	0,1
CN		Mar	House prices (yoy, %)	6,2		4,9
UK		Mar	Unemployment rate (%)		5,1	5,1
EZ		Apr	Inflation (final, yoy, %)		-0,2	-0,2
US		Apr	Release of the FOMC Minutes		-	-

Source: Reuters, OTP Research

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