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Global Daily Report

Summary

- Developed stock markets barely moved; the Fed's optimistic announcement supported markets, the USD inched up.
- The BUX underperformed as OTP lost 3.8% and Richter fell for the fifth consecutive day.
- Crude futures remained below USD 50.

Advanced markets ended Wednesday's trading with small changes; the Fed's rate decision and the subsequent optimistic statement gave some impetus to US indices. In Europe, investors once again adopted a wait-and-see approach ahead of the French presidential election, while keeping an eye on corporate earnings figures. The Q1 revenue of Adidas expanded by 19% and its after-tax profit grew by 30%, as the sportswear company increased its markets share in North America and China, against its main rival Nike. This morning Asia's major stock indices moved in mixed directions.

The US dollar strengthened slightly after the Fed's rate decision, which left monetary conditions unchanged, as expected. The reference to pale Q1 growth was omitted from the Fed's statement, and even though the Fed does not expect inflation to accelerate further from its current, near-target level in the near future, market prices imply that a tightening in June has become more likely. Despite the rises in December and March, financial conditions have somewhat eased this year, owing to the USD's weakening and the reduction of long-term yields.

In the small hours of Thursday, Puerto Rico filed for a 120-day protection to reschedule its USD 3,800 billion sovereign debt. This is the largest amount of local default in the history of the United States (by its constitution, Puerto Rico is an independent country that voluntarily joined the USA).

The US services sector purchasing managers' index jumped high, in line with the expectations that the macroeconomic situation will improve. The eurozone's GDP data matched analysts' consensus: the economies of the countries using the single European currency grew by 0.5% quarter/quarter and by 1.7% year/year. This means that the eurozone's growth did not slow after the fourth quarter, in sync with the improving labour, loan, and real estate indicators. Somewhat surprisingly, the March ADP employment figure was not revised materially in the USA (it seemed likely because the official statistics came in much lower); and the job market expanded as expected in April. This bodes well for the labour market data that are due out on Friday, and continues to signify increasingly tight conditions.

Today's important data releases include retail sales from the eurozone and factory goods orders statistics from the USA.

	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	2388,1	-0,1	6,7	VIX	10,7	0,8	-24	WTI	47,56	-0,2	-11,5
	DOW	20957,9	0,0	6,0	US 2Y	1,30	3,6	10	Brent	50,79	0,7	-10,6
	Nasdaq100	5625,2	-0,3	15,7	US 10Y	2,31	1,3	-12	Gold	1238,0	-1,5	7,5
	DAX	12527,8	0,2	9,1	GER 2Y	-0,72	0,1	7	Silver	16,39	-2,4	2,9
	CAC40	5301,0	-0,1	9,0	GER 10Y	0,33	0,2	12	EUR/USD	1,0882	-0,4	3,5
	FTSE 100	7234,5	-0,2	1,3	PT10Y	3,47	-9,0	-30	EUR/GBP	0,8456	0,1	-0,7
	FTSE MIB	20759,3	0,1	7,9	IT 10Y	2,26	-3,7	44	EUR/NOK	9,4166	0,3	3,6
	Stoxx600	389,4	0,0	7,7	SP 10	1,61	-4,7	21	USD/CAD	1,3727	0,1	2,2
	- Banks	151,6	0,6	13,0	iTRAXX	65,8	0,0	-9	AUD/USD	0,7421	-1,5	2,9
	Nikkei 225	19445,7	0,0	1,7	JPY 2Y	-0,20	-0,2	-3	USD/JPY	112,73	0,7	-3,5
SSEC	3130,4	-0,2	0,9	JPY 10Y	0,02	-0,2	-3	GBP/USD	1,2863	-0,6	4,3	
Regional	RTS	1096,4	-2,1	-4,9	RUS10	7,59	0,4	-9	USD/RUB	57,364	0,6	-6
	WIG20	2392,09	0,0	22,8	POL 10	3,47	0,0	-4	EUR/PLN	4,2041	0,1	-4,5
	PX50	996,3	-0,6	8,1	CZ10	0,82	-1,3	76	EUR/RON	4,5430	-0,1	0,2
Hungary	BUX	32078	-2,5	0,2	3M TB	0,15	0	-1	EUR/HUF	311,59	0,0	0,9
	OTP	7850	-3,8	-6,5	1Y	0,22	0	4	USD/HUF	286,26	0,3	-2,5
	MOL	21060	-1,7	2,1	3Y	1,00	-1	14	CHF/HUF	287,74	0,1	-0,1
	MTelekom	484	0,4	-2,8	5Y	2,13	-2	36	PLN/HUF	74,100	-0,1	5,8
	Richter	6705	-3,1	8,0	10Y	3,21	-5	1	GBP/HUF	368,36	-0,1	2

* In the case of bond yields, the change is in basis points instead of percentage (VIX and ITRAXX not included).

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2017 5. 1.	2 : 30	JP Nikkei Manufacturing PMI (points)	ápr.	52,7	-	52,8
	14 : 30	US Personal income (mom, %)	márc.	0,2	0,3	0,4
	14 : 30	US Personal consumption (adjusted, mom, %)	márc.	0,0	0,3	0,1
	16 : 00	US Construction expenditure (mom, %)	márc.	-0,2	0,4	0,8
	16 : 00	US ISM Manufacturing PMI (points)	ápr.	54,8	56,4	57,2
2.	9 : 00	HU Manufacturing PMI (points)	ápr.	55,9	-	56,0
	11 : 00	EZ Unemployment rate (%)	márc.	9,5	9,4	9,5
	21 : 30	US Vehicle sales (annualized monthly, million)	ápr.	16,9	17,2	16,6
3.	9 : 00	HU Trade balance (detailed, monthly, EURmn)	febr.		-	633*
	11 : 00	EZ GDP (preliminary, qoq, %)	Q1		0,5	0,4
	11 : 00	EZ GDP (preliminary, yoy, %)	Q1		1,7	1,7
	14 : 15	US ADP non-farm employment (mom, '000s)	ápr.		175,0	263,0
	16 : 00	US ISM non-Manufacturing PMI (points)	ápr.		55,8	55,2
	20 : 00	US Interest rate decision (%)	máj.		0,75-1,0	0,75-1,0
4.	9 : 00	HU Retail sales (first estimate, yoy, %)	márc.		-	0,8
	11 : 00	EZ Retail sales (mom, %)	márc.		0,1	0,7
	16 : 00	US Factory orders (mom, %)	márc.		0,4	1,0
5.	9 : 00	HU Industrial production (preliminary, yoy, %)	márc.		-	2,7
	11 : 00	HU International reserves (final, EURbn)	márc.		-	24,4*
	11 : 00	HU Aggregate real MNB home-price index	IV. né.		-	117,6
	14 : 00	RO Interest rate decision (%)	máj.		1,8	1,8
	14 : 30	US Unemployment rate (%)	ápr.		4,6	4,5
	14 : 30	US Average earnings (yoy, %)	ápr.		2,7	2,7
	14 : 30	US Average earning (mom, %)	ápr.		0,3	0,2
	14 : 30	US Non-farm payroll (mom, '000s)	ápr.		185,0	98,0
	15 : 30	US Stanley Fischer's speech (Hoover Monetary Policy Conference)	máj.		-	-
7.	23 : 00	FR Presidential election (second round)	-		-	E. Macron

*preliminary data

Source: Reuters, OTP Research

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