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# Global Daily Report

### Summary

- Europe benefited from the positive sentiment but US trading was rather mixed on Tuesday
- Markets are already pricing in a Fed rate hike in June; the USD firmed, and 10Y US Treasury notes yields inched up
- The declining demand and mounting supply sent oil prices half a per cent lower

On Tuesday Europe's markets saw a belated relief rally: the DAX advanced 0.4%, the CAC40 upped 0.3%, and the FTSE100 added 0.6%. The sentiment was less upbeat in the USA, where the S&P500 slipped 0.1% while the NASDAQ100 closed 0.3% higher.

The sentiment on Asia's stock markets was mixed this morning: Japan's Nikkei barely changed, China's SSECOM rose by 1.6%, but South Korea's KOSPI fell 1% after a North Korean ambassador said his country would proceed with nuclear tests.

In Tuesday's trading the USD fared well against the key currencies, gaining 0.5% ground from the EUR and 0.9% from the yen. Simultaneously with the greenback's appreciation, US government bond yields also climbed higher, suggesting that markets may be pricing in a federal funds rate hike in June. This implies that the current probability of a rate hike in June is 83%, after growing nearly 10 percentage points in a week.

The Turkish lira dropped 1% versus the USD after President Trump had approved arming Syrian Kurds. The tension between Turkey and Kurds in Syria has recently increased, which is confirmed by the fact that America recently sent US troops to 'supervise' the zone between the Turkish and Syrian Kurd regions.

WTI and Brent crude prices slipped 0.5%. Market analysts attribute the lower oil prices to the declining demand and the rising shale oil output in the USA. Moreover, it is increasingly doubted if OPEC's move to freeze production will be able to restore the balance of demand and supply on oil market. This week OPEC's monthly report and US oil inventory statistics may provide further guidance. Gold and silver lost 1% of their shine.

Mario Draghi's speech is likely to be an important event today.

	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	2396,9	-0,1	7,1	VIX	10,0	1,9	-29	WTI	46,18	-0,5	-14,0
	DOW	20975,8	-0,2	6,1	US 2Y	1,36	2,5	16	Brent	48,73	-1,2	-14,2
	Nasdaq100	5678,3	0,3	16,8	US 10Y	2,41	3,1	-2	Gold	1220,9	-0,4	6,0
	DAX	12749,1	0,4	11,0	GER 2Y	-0,67	-0,4	12	Silver	16,14	-0,6	1,3
	CAC40	5398,0	0,3	11,0	GER 10Y	0,43	1,1	22	EUR/USD	1,0872	-0,5	3,4
	FTSE 100	7342,2	0,6	2,8	PT10Y	3,43	3,3	-33	EUR/GBP	0,8404	-0,4	-1,3
	FTSE MIB	21487,0	0,3	11,7	IT 10Y	2,28	4,0	45	EUR/NOK	9,4444	0,0	3,9
	Stoxx600	395,8	0,4	9,5	SP 10	1,62	3,2	23	USD/CAD	1,3719	0,2	2,2
	- Banks	153,4	-0,8	14,3	iTRAXX	62,3	-1,0	-14	AUD/USD	0,7344	-0,6	1,8
	Nikkei 225	19900,1	0,0	4,1	JPY 2Y	-0,18	0,7	0	USD/JPY	113,98	0,7	-2,5
SSEC	3130,4	1,6	0,9	JPY 10Y	0,04	0,8	-1	GBP/USD	1,2933	0,0	4,8	
Regional	RTS	1085,7	0,0	-5,8	RUS10	7,73	0,0	-8	USD/RUB	58,390	0,1	-5
	WIG20	2413,53	1,7	23,9	POL 10	3,47	-0,1	-4	EUR/PLN	4,2308	0,1	-3,9
	PX50	1011,0	0,5	9,7	CZ10	0,83	1,3	78	EUR/RON	4,5475	0,0	0,3
Hungary	BUX	33510	2,0	4,7	3M TB	0,15	0	-1	EUR/HUF	311,67	0,2	0,9
	OTP	8160	3,0	-2,9	1Y	0,22	0	4	USD/HUF	286,59	0,6	-2,4
	MOL	21900	-0,5	6,1	3Y	0,99	0	14	CHF/HUF	284,41	-0,2	-1,2
	MTelekom	490	0,0	-1,6	5Y	2,11	0	34	PLN/HUF	73,630	0,1	5,1
	Richter	6950	1,2	11,9	10Y	3,15	-2	-5	GBP/HUF	370,69	0,7	3

\* 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. 8.	4 : 00 CN	Import (yoy, %)	Apr.	11,9	18	20,3
	4 : 00 CN	Export (yoy, %)	Apr.	8,0	10,4	16,4
	8 : 00 DE	Industrial orders (mom, %)	March	1,0	0,8	3,4
	10 : 00 EZ	Sentix Investor confidence (points)	May	27,4	25,0	23,9
	11 : 00 HU	Fiscal balance (monthly, billion HUF)	Apr.	76,6	-	-378,5
9.	8 : 00 DE	Export (mom, %)	March	0,4	0,2	0,8
	8 : 00 DE	Industrial production (mom, %)	March	-0,4	-0,6	2,2
	9 : 00 HU	Trade balance (preliminary, monthly, EURmn)	March	956	880	881
10.	9 : 00 HU	Inflation (yoy, %)	Apr.	2,2	2,3	2,7
	9 : 00 HU	Core inflation (yoy, %)	Apr.	1,9	-	1,8
	10 : 30 EZ	Mario Draghi's speech in the Dutch Parliament	-	-	-	-
	20 : 00 US	Federal budget balance (USDbn)	Apr.	-	-	-176
11.	9 : 00 HU	Construction output (yoy, %)	March	-	-	15,2
	10 : 30 UK	Industrial production (mom, %)	March	-	-0,3	-0,7
	11 : 00 EU	EC's Economic Forecast	-	-	-	-
	13 : 00 UK	Interest rate decision (%)	May	-	0,25	0,25
12.	8 : 00 DE	CPI (final, yoy, %)	Apr.	-	2,0	2,0*
	8 : 00 DE	GDP (preliminary, qoq, SA %)	Q1	-	0,6	0,4
	8 : 00 DE	GDP (preliminary, qoq, NSA %)	Q1	-	1,7	1,2
	9 : 00 HU	Industrial production (second estimate, yoy, %)	March	-	-	12,8*
	11 : 00 EZ	Industrial production (mom, %)	March	-	0,3	-0,3
	14 : 30 US	Retail sales (mom, %)	Apr.	-	0,6	-0,2
	14 : 30 US	CPI (yoy, %)	Apr.	-	2,3	2,4
	14 : 30 US	CPI (mom, %)	Apr.	-	0,2	-0,3
	14 : 30 US	core-CPI (yoy, %)	Apr.	-	2,0	2,0
	14 : 30 US	core-CPI (yoy, %)	Apr.	-	0,2	-0,1
	16 : 00 US	Michigan Consumer confidence (preliminary, points)	May	-	97,0	97,0
	16 : 00 US	Business inventories (mom, %)	March	-	0,1	0,3
		HU Fitch revision	-	-	-	BBB-

\*preliminary data

source: Reuters, OTP Research

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