

Treasury Sales Team

Headquarter Treasury Sales

Ionut Constandache

0372 31 85 86

ionut.constandache@otpbank.ro

Corina Bejan

0372 31 85 87

corina.bejan@otpbank.ro

Anamaria Toma

0372 31 85 85

anamaria.toma@otpbank.ro

Cristian Bodirca

0372 31 85 88

cristian.bodirca@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

Alexandru Sabin - Arad

0755 000 255

alexandru.sabin@otpbank.ro

Andrei Sala - Brasov

0755 000 015

andrei.sala@otpbank.ro



Global Daily Report

Summary

- Fears of a global trade war have abated, helping stock indices gain.
- President Trump's import levy plan damaged European car manufacturers.
- Yields inched up on global bond markets.

Concerns about the effect of a global trade war eased on Monday, and the major stock indices of the world nudged higher. Europe opened with losses, seeing the outcome of the Italian vote; but confidence returned later and the key benchmarks of Western Europe achieved gains, except for those in Italy. The DAX marched 1.5% higher, making up for some of last week's loss of 4.6%. The FTSE advanced 0.7%, the CAC40 rose by 0.6%, and the Stoxx600 gained 1.0%. The losers in Monday's session were German carmakers, particularly BMW and Porsche; President Trump's talking up the import tariffs during the weekend poses a threat to Europe's car manufacturers. Despite the relatively benign sentiment, the FTSE-MIB slipped 0.4% by the close, following the advance of anti-establishment and populist forces in Sunday's election in Italy, where none of the parties reached majority. The resulting stalemate may be followed by months of coalition talks.

America's key benchmarks closed more than 1% higher. All of the S&P500's eleven sector indices climbed higher, with utilities, real estate and financial service providers posting the strongest gains. The NASDAQ100 grew by 1.0%. On balance, Monday was an uneventful day in the USA, which means a small correction after last year's fall.

The EUR opened on a weak note on Monday, but regained some strength against the USD by the end of the day. The GBP firmed against the USD, while the Canadian dollar (CAD) weakened in the aftermath of Donald Trump's important tariff announcement.

On global bond markets, the Italian 10Y bond yield grew five basis points, amid the uncertainty following Sunday's election. The 10Y bond yields of the UK and the USA upped two basis points, that on the German 10Y Bund upped one basis point, and Australia's 10Y bond yield was up eight basis points.

Commodity markets lacked sharp moves. The WTI crude oil crept above 62 USD/barrel, while the Brent rose nearly 2%, to more than USD 65. Precious metal prices barely changed. In industrial metals, zinc futures dipped almost 2% on Monday.

In this morning's balanced trading Asia, the leading indices closed in positive territory. Japan's Nikkei surged 1.8% and the Topix added 1.3%.

Today's important releases include the latest CPI readings from Switzerland and Russia. Factory orders data and the weekly oil inventories statistics are due out in 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 | 2720,9 | 1,1 | 1,8 | VIX | 18,7 | -4 | 70 | WTI | 62,73 | 2,4 | 3,8 |
| | DOW | 24874,8 | 1,4 | 0,6 | US 2Y | 2,2 | 0 | 35 | Brent | 65,54 | 1,8 | -2,0 |
| | Nasdaq100 | 6881,3 | 1,0 | 7,6 | US 10Y | 2,9 | 2 | 47 | Arany | 1319,95 | -0,2 | 1,3 |
| | DAX | 12090,9 | 1,5 | -6,4 | GER 2Y | -0,5 | 1 | 10 | Ezüst | 16,43 | -0,4 | -3,0 |
| | CAC40 | 5167,2 | 0,6 | -2,7 | GER 10Y | 0,6 | -1 | 21 | EUR/USD | 1,23 | 0,1 | 2,8 |
| | FTSE 100 | 7116,0 | 0,7 | -7,4 | PT10Y | 2,0 | -1 | 2 | EUR/GBP | 0,89 | -0,2 | 0,3 |
| | FTSE MIB | 21819,9 | -0,4 | -0,2 | IT 10Y | 2,1 | 4 | 8 | EUR/NOK | 9,65 | 0,6 | -2,1 |
| | Stoxx600 | 370,9 | 1,0 | -4,7 | SP 10 | 1,5 | -5 | -9 | USD/CAD | 1,30 | 0,7 | 3,1 |
| | - Banks | 165,3 | 0,1 | 0,2 | iTRAXX | 54,1 | -1 | 20 | AUD/USD | 0,78 | 0,0 | -0,5 |
| | Nikkei 225 | 21417,8 | 1,8 | -5,9 | JPY 2Y | -0,2 | 0 | -3 | USD/JPY | 106,19 | 0,4 | -5,8 |
| | SSEC | 3281,8 | 0,8 | -0,8 | JPY 10Y | 0,1 | 1 | 0 | GBP/USD | 1,38 | 0,3 | 2,5 |
| Regional | RTS | 1279,5 | 1,4 | 10,8 | RUS10 | 7,1 | 0 | -7 | USD/RUB | 56,396 | -0,7 | -2,2 |
| | WIG20 | 2330,1 | 0,7 | -5,3 | POL 10 | 3,3 | 1 | 1 | EUR/PLN | 4,19 | -0,1 | 0,3 |
| | PX50 | 1113,2 | 0,6 | 3,2 | CZ10 | 1,9 | 0 | 25 | EUR/RON | 4,657 | 0,0 | -0,4 |
| Hungary | BUX | 37120 | 0,5 | -5,7 | 3M T-Bill | 0,02 | 0 | -2 | EUR/HUF | 314,12 | 0,2 | 1,2 |
| | OTP | 11070 | -0,2 | 3,3 | 1Y | 0,05 | -1 | 0 | USD/HUF | 254,49 | 0,0 | -1,7 |
| | MOL | 2770 | 1,9 | -7,8 | 3Y | 0,91 | -1 | 36 | CHF/HUF | 270,85 | -0,3 | 2,2 |
| | MTelekom | 445 | -1,4 | -2,8 | 5Y | 1,55 | 0 | 38 | PLN/HUF | 74,95 | 0,3 | 0,9 |
| | Richter | 5605 | 1,8 | -17,3 | 10Y | 2,65 | 0 | 61 | GBP/HUF | 352,37 | 0,4 | 0,9 |

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

Sources: Reuters, OTP Research

Sources: Reuters, OTP Research

Chief Economist

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

Analyst

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

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.