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# Global Daily Report

### Summary

- Thursday's trading sentiment was rather sour on both sides of the Atlantic
- The China-USA trade talks began in Beijing
- Inflation in the EZ unexpectedly slowed in April.

Trading sentiment on America's equity markets was rather gloomy on Thursday, one day after the Fed announced that headline and core inflation had drawn near its 2% inflation target, but the statement lacked a clear guidance for investors. What added to the uncertainty was the ongoing China-USA negotiation in Beijing, aimed at preventing a full-fledged trade war between the two empires. The S&P closed 0.2% down; the NASDAQ100 and the Dow stagnated.

Europe's indices also headed down: the Stoxx600 dropped 0.7%, from a two-month high, and the DAX lost 0.9%. In individual names, Smith & Nephew's share price tumbled 7%, as the medical equipment manufacturer lowered its target figures for 2018, after reporting stagnant revenues in the first quarter. Adidas shrank 6.8% despite confirming its 2018 targets following the pleasing Q1 profit figure. A number of companies saw their share price decline after dividend payment: Unilever shed 0.3%, Kingfisher sank 1.5% and the London Stock Exchange Group contracted 0.9%.

Government bond yields edged down; in which the eurozone's pale inflation reading probably played a part. The US 10Y Treasury yield dipped 1.8 basis points, and the German 10Y Bund slipped 5.3 bps. The dollar weakened against the euro yesterday. Bitcoin rallied 6%, drawing near USD 9,700, benefiting from Goldman Sachs's announcement to enable its clients to trade with cryptocurrencies.

Unexpectedly, inflation in the eurozone decelerated in April: consumer prices rose by 1.2% from a year earlier. Core inflation dropped to 0.7%, down from 1% in March, in the slowest rise over the past 12 months. The deceleration in consumer prices' growth came as a surprise because earlier ECB President Mario Draghi had said that the ECB expected inflation to remain around 1.5% in the rest of the year. The macroeconomic data released in the USA yesterday were reassuring. US factory orders grew by 1.6% month/month in March, beating analysts' forecast of 1.4%. The February figure was revised from 1.2% to 1.6%.

Today's important macroeconomic publications include US labour market data. The eurozone's retail statistics for March are also due out today. The China-USA trade talks in Beijing are also worth watching.

	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	2629,7	-0,2	-1,6	VIX	15,9	-0,4	44	WTI	68,4	0,7	13,3
	DOW	23930,2	0,0	-3,2	US 2Y	2,48	-1,2	59	Brent	73,62	0,4	10,1
	Nasdaq100	6643,5	0,0	3,9	US 10Y	2,95	-1,8	54	Gold	1311,2	0,5	0,7
	DAX	12690,2	-0,9	-1,8	GER 2Y	-0,57	-0,8	6	Silver	16,41	0,4	-3,2
	CAC40	5501,7	-0,5	3,6	GER 10Y	0,53	-5,2	10	EUR/USD	1,20	0,3	-0,1
	FTSE 100	7502,7	-0,5	-2,4	PT10Y	1,67	-1,1	-26	EUR/GBP	0,88	0,3	-0,6
	FTSE MIB	24064,5	-0,8	10,1	IT 10Y	1,73	-4,6	-26	EUR/NOK	9,65	-0,6	-2,1
	Stoxx600	384,6	-0,7	-1,2	SP 10	1,25	-6,1	-32	USD/CAD	1,28	-0,3	2,1
	- Banks	157,3	-1,4	-4,6	iTRAXX	56,8	3,7	26	AUD/USD	0,75	0,5	-3,5
	Nikkei 225	22371,0	-0,5	-1,7	JPY 2Y	-0,14	0	0	USD/JPY	109,18	-0,6	-3,1
SSEC	3096,6	-0,1	-6,4	JPY 10Y	0,04	0	-1	GBP/USD	1,36	0,0	0,5	
Regional	RTS	1128,2	-0,7	-2,3	RUS10	7,4	1,1	-3	USD/RUB	62,996	-1,7	9,3
	WIG20	2291,92	0,0	-6,9	POL 10	3,2	0,0	-4	EUR/PLN	4,26	-0,1	2,1
	PX50	1113,4	-0,3	3,3	CZ10	1,7	-1,7	13	EUR/RON	4,664	0,1	-0,3
Hungary	BUX	37661	-0,8	-4,4	3M DKJ	0,11	7	7	EUR/HUF	313,77	-0,2	1,0
	OTP	10900	-3,3	1,7	1Y	0,13	3	8	USD/HUF	261,64	-0,6	1,1
	MOL	2958	1,2	-1,6	3Y	0,78	2	23	CHF/HUF	262,56	-0,2	-0,9
	MTelekom	454	0,3	-1,0	5Y	1,38	2	21	PLN/HUF	73,53	-0,2	-1,0
	Richter	5385	0,7	-20,6	10Y	2,64	2	59	GBP/HUF	355,10	-0,5	1,6

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

Sources: Reuters, OTP Research

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2018 4. 30.	3 : 00	CN NBS Manufacturing PMI (points)	Apr.	51,4	51,3	51,5
	3 : 00	CN NBS non-Manufacturing PMI (points)	Apr.	54,8	-	54,6
	8 : 00	DE Retail sales (mom, %)	March	-0,6	0,9	-0,2
	14 : 00	DE CPI (flash, yoy, %)	Apr.	1,6	1,6	1,6
	14 : 30	US Personal income (mom, %)	March	0,3	0,4	0,4
	14 : 30	US Personal consumption (adjusted, mom, %)	March	0,4	0,4	0,2
	15 : 45	US Chicago PMI (points)	Apr.	57,6	57,7	57,4
	16 : 00	US Pending home sales (mom, %)	March	0,4	0,6	3,1
5. 1.	16 : 00	US Construction expenditure (mom, %)	March	-1,7	0,4	0,1
	16 : 00	US ISM Manufacturing PMI (points)	Apr.	57	59	59
	21 : 30	US Vehicle sales (annualized monthly, million)	Apr.	17,2	17,3	17,5
2.	9 : 00	HU Manufacturing PMI (points)	Apr.	53,3	-	56,6
	11 : 00	EZ Unemployment rate (%)	March	8,5	8,5	8,5
	11 : 00	EZ GDP (preliminary, yoy, %)	Q1	2,5	3	3
	11 : 00	EZ GDP (preliminary, qoq, %)	Q1	0,4	0,5	0,6
	11 : 00	IT GDP (preliminary, yoy, %)	Q1	1,4	1,5	1,6
	11 : 00	IT GDP (preliminary, qoq, %)	Q1	0,3	0,3	0,3
	14 : 15	US ADP non-farm employment (mom, '000s)	Apr.	204	200	241
	20 : 00	US Interest rate decision (%)	May	1,5-1,75	1,5-1,75	1,5-1,75
3.	9 : 00	HU Industrial producer prices (yoy, %)	March	3,5	-	3,9
	9 : 00	HU Trade balance (detailed, monthly, EUR mn)	Febr.	841,0	-	838*
	11 : 00	EZ CPI (flash, yoy, %)	Apr.	1,1	1,2	1,3
	11 : 00	EZ Core CPI (flash, yoy, %)	Apr.	0,7	0,9	1,0
	16 : 00	US Factory orders (mom, %)	March	1,6	1,4	1,6
	16 : 00	US ISM non-Manufacturing PMI (points)	Apr.	56,8	58,1	58,8
4.	9 : 00	HU Retail sales (first estimate, yoy, %)	March		-	6,6
	10 : 00	HU Aggregated real house price index (Nat. Bank of Hungary)	Q4		-	127,6
	11 : 00	EZ Retail sales (mom, %)	March		0,6	0,1
	14 : 30	US Unemployment rate (%)	Apr.		4,0	4,1
	14 : 30	US Average earnings (yoy, %)	Apr.		2,7	2,7
	14 : 30	US Average earnings (mom, %)	Apr.		0,2	0,3
	14 : 30	US Non-farm payroll (mom, '000s)	Apr.		198	103

\*preliminary data

Sources: Reuters, OTP Research

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