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Daily Report

Summary

- Stock market rose for the seventh day on the overseas markets, Europe run mixed mood
- BUX strengthened by 2.4%, the winner of the day was OTP, which reported better than expected results
- The price of crude oil rose further, the dollar weakened
- Detailed information on the domestic industrial production in March are published today

After a mixed European mood, the day went without direction in the United States as well; when the announcement by President Trump of the bill aimed to reducing the price of medicines threw a stone into the still water. The price of Merck, Express Script and UnitedHealth fell for the first time, but when investors realized that the bill would accelerate the licensing process in some cases, the pharmaceuticals' papers broke out. Finally, the seventh day ended with the rise in the Dow Jones industrial average and the S&P500, while the Nasdaq100 finished with a minimal decline. In Europe, the equity markets in Frankfurt and Paris fell slightly while those in London, Milan and Moscow were up.

USD weakened against the euro, with quotations exceeding 1,195. The price of crude oil rose further, the Brent barrel exceeded \$77 on Friday. This level has not been seen since the autumn of 2014.

BUX overshot Europe, ending the day with +2.4%. All four blue chips rose, OTP was the winner of the day with a 3.8% rally, after its favourable flash report, and Mol's price climbed by 3.1%. For the purpose of implementing its incentive program, Magyar Telekom purchased 149 000 ordinary shares for HUF 450 per piece. The number of shares held by the company rose to 5,207,417. A total of 6,478,874 ordinary shares of the Appeninn, HUF 100 each had been introduced to the stock exchange, as a capital increase. This increased the ownership of the Konzum Group to 52.97%.

The forint weakened against the euro, moved at Friday night around 315.5, a nearly two-year peak. The sovereign yield curve was elevated by 2-3 basis points, and the 10-year benchmark increased to 2.77%. The 10-year yield of the United States has risen above 3%, and the German Bund's ten-year yield has dropped close to 0.5% in recent weeks.

Today, the Central Statistical Office publishes a detailed breakdown of the March industrial statistics, and tomorrow in many European countries the preliminary data on the first quarterly GDP will be published. According to median forecasts, annual growth in Germany and the Central and Eastern European region may slow down compared to 2017Q4, although for Hungary, our own forecast promises a GDP growth rate of 4.8% YoY.

	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	2727,7	0,2	2,0	VIX	12,7	-4,4	15	WTI	70,7	-0,9	17,0
	DOW	24831,2	0,4	0,5	US 2Y	2,54	0,1	65	Brent	77,12	-0,5	15,3
	Nasdaq100	6952,6	-0,2	8,7	US 10Y	2,97	0,0	56	Gold	1317,7	-0,3	1,2
	DAX	13001,2	-0,2	0,6	GER 2Y	-0,57	0,3	6	Silver	16,62	-0,3	-1,9
	CAC40	5541,9	-0,1	4,3	GER 10Y	0,56	0,8	14	EUR/USD	1,19	0,2	-0,5
	FTSE 100	7724,6	0,3	0,5	PT10Y	1,70	-3,9	-23	EUR/GBP	0,88	0,1	-0,7
	FTSE MIB	24159,3	0,5	10,6	IT 10Y	1,88	-5,2	-12	EUR/NOK	9,55	0,2	-3,0
	Stoxx600	392,4	0,1	0,8	SP 10	1,27	-3,9	-30	USD/CAD	1,28	0,2	1,7
	- Banks	160,5	1,1	-2,8	iTRAXX	54,9	0,0	22	AUD/USD	0,75	0,1	-3,3
	Nikkei 225	22865,9	0,6	0,4	JPY 2Y	-0,13	0	1	USD/JPY	109,38	0,0	-2,9
	SSEC	3164,2	0,0	-4,3	JPY 10Y	0,05	0	0	GBP/USD	1,35	0,2	0,2
Regional	RTS	1194,0	1,2	3,4	RUS10	7,3	-0,5	-4	USD/RUB	61,888	0,4	7,3
	WIG20	2329,36	1,2	-5,4	POL 10	3,2	-0,3	-2	EUR/PLN	4,27	0,4	2,2
	PX50	1107,1	1,0	2,7	CZ10	1,8	-0,3	22	EUR/RON	4,635	0,0	-0,9
Hungary	BUX	37644	2,5	-4,4	3M DKJ	0,09	0	5	EUR/HUF	315,18	0,4	1,5
	OTP	10960	3,8	2,2	1Y	0,14	0	9	USD/HUF	263,88	0,1	1,9
	MOL	2810	3,1	-6,5	3Y	0,98	3	43	CHF/HUF	263,73	0,3	-0,5
	MTelekom	449	0,3	-2,1	5Y	1,55	3	38	PLN/HUF	73,87	0,0	-0,6
	Richter	5410	0,7	-20,2	10Y	2,80	1	76	GBP/HUF	357,36	0,3	2,3

* 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 5. 14.	9 : 00	HU Industrial production (second estimate, yoy, %)	March		-	-2,4*
	15. 4 : 00	CN Infrastructural spending (yoy, %)	Apr.		7,4	7,5
	4 : 00	CN Industrial production (yoy, %)	Apr.		6,3	6,0
	4 : 00	CN Retail sales (yoy, %)	Apr.		10,0	10,1
	8 : 00	DE GDP (first estimate, yoy, SA,%)	Q1		2,4	2,9
	8 : 00	DE GDP (first estimate, qoq, SA%)	Q1		0,4	0,6
	8 : 00	RO GDP (first estimate, yoy, %)	Q1		5,7	6,7
	9 : 00	CZ GDP (first estimate, yoy, %)	Q1		4,8	5,5
	9 : 00	HU GDP (first estimate, yoy, %)	Q1		4,0	4,4
	9 : 00	HU GDP (first estimate, qoq, %)	Q1		-	1,3
	10 : 00	PL GDP (first estimate, yoy, %)	Q1		-	5,1
	11 : 00	EZ Industrial production (mom, %)	March		0,6	-0,8
	11 : 00	DE ZEW Economic Sentiment (points)	May		-6,0	-8,2
	11 : 00	EZ GDP (second estimate, yoy, %)	Q1		0,4	0,4*
	11 : 00	EZ GDP (second estimate, qoq, %)	Q1		2,5	2,5*
	14 : 30	US Retail sales (mom, %)	Apr.		0,4	0,6
	14 : 30	US New York Fed Manufacturing index (points)	May		15,0	16
	16 : 00	US Business inventories (mom, %)	March		0,3	0,6
16.	1 : 50	JP GDP (preliminary, qoq, %)	Q1		0,0	0,4
	8 : 00	DE CPI (final, yoy, %)	Apr.		1,6	1,6*
	11 : 00	EZ CPI (final, yoy, %)	Apr.		1,2	1,2*
	14 : 00	PL Interest rate decision (%)	May		-	1,5
	14 : 30	US Housing starts (annualized monthly, '000s)	Apr.		1310	1319
	14 : 30	US Building permits (annualized monthly, '000s)	Apr.		1349	1379
	15 : 15	US Industrial production (mom, %)	Apr.		0,5	0,5
17.	16 : 00	US Leading index (mom, %)	Apr.		0,3	0,3
18.	1 : 30	JP CPI (yoy, %)	Apr.		-	1,1
	1 : 30	JP core-CPI (yoy, %)	Apr.		0,8	0,9

*preliminary data

Sources: Reuters, OTP Research

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