

Headquarter Treasury Sales

Head of Sales

Marius George Ionescu

+40755 000 437

marius.ionescu@otpbank.ro

Tania Fantana

+4021 30758 17

tania.fantana@otpbank.ro

Alexandru Tibuleac

+4021 30758 17

alexandru.tibuleac@otpbank.ro

Alina Vrabioiu

+4021 30758 17

alina.vrabioiu@otpbank.ro

Regional Treasury Sales

Cezar Trandafirescu - Iasi

+40755 000 246

cezar.trandafirescu@otpbank.ro

Szilamer Kozma - Cluj

+40755 000 400

szilamer.kozma@otpbank.ro

Valentin Cioraneanu – Brasov

+40755 000 464

valentin.cioraneanu@otpbank.ro

Radu Oprea – Bucharest

+40755000474

radu.oprea@otpbank.ro



Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	16 513	↓ -0,28	↑ 0,93
S&P500	1 881	↓ -0,13	↑ 0,95
Nasdaq100	3 588	↓ -0,19	↑ 1,18
Russell2000	1 129	↑ 0,25	↑ 1,05
Stoxx600	338	↓ -0,22	↑ 1,28
DAX	9 556	↓ -0,49	↑ 1,64
FTSE 100	6 822	↑ 0,20	↑ 2,05
CAC40	4 458	↓ -0,65	↑ 0,33
ATX	2 528	↑ 0,09	↑ 2,01
IBEX35	10 475	↑ 0,15	↑ 1,63
Nikkei 225	14 458	↓ -0,19	↑ 1,18
Hang Seng	21 923	↓ -1,52	↓ -0,95
SSEC	2 011	↓ -0,77	↑ 0,37
SENSEX	22 464	↑ 0,20	↓ -1,01
RTS	1 149	↓ -0,58	↑ 2,64
Bovespa	52 980	↑ 2,62	↑ 3,11

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,3873	↑ 0,02	↑ 0,17
EUR/CHF	1,2173	↓ -0,07	↓ -0,16
USD/GBP	1,6865	↓ -0,15	↑ 0,35
USD/JPY	101,93	↓ -0,24	↓ -0,54
AUD/USD	0,9267	↓ -0,08	↑ 0,11
USD/CAD	1,0966	↓ -0,06	↓ -0,55

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,9	↓ -0,3	↓ -1,2
CDS 5Y PIIS	13	↓ -1,1	↓ -1,5
CDS 5Y Italy	91	↓ -1,0	↓ -1,0
CDS 5Y Belg.	95	↓ -0,6	→ 0,0
iTraxx 5Y EU	25,1	↓ -0,4	↓ -4,0
US TED Spread	68,7	→ 0,0	↓ -1,3

Source: Reuters, OTP Research

Summary

- In Friday's uncertain investment mood, the key indices in Europe and America closed mixed.
- The US economy created 288,000 new jobs in April (more than the estimated 215,000); unemployment rate came down to 6.3%.
- The April reading of China's PMI signifies decelerating economic activity, HSBC published this morning.

Ending a day of wait-and-see approach, European markets closed mixed on Wednesday: the FTSE and the DAX climbed somewhat higher, while France's CAC40 made a modest loss. Europe's stock markets (except for London) were closed on 1 May but most of them resumed trading on Friday. The key benchmarks could not erase the morning's losses by the close: the CAC40 slipped 0.7%, and the DAX slipped 0.5% into the red on Friday. Meanwhile, the Footsie upped by 0.2%. A 8.2% rally made RBS the strongest performer in London, benefiting from the reassuring Q1 earnings figures. Citigroup's upgraded recommendation for Taylor Wimpey Plc and Redrow Plc. to Buy has sent these construction companies' stock price 3.1% and 4.7% higher respectively.

Fitch has improved the outlook on Slovenia's BBB+ country risk profile from Negative to Stable, citing the reduced risks of the banking sector, the improved prospects of accessing market funding, and the decline in external imbalances.

The trading week was not interrupted in the USA, where Labour Day is celebrated in September. In Wednesday's session, the US market waited to see what the Fed's decision holds and the benchmarks ended higher. But indices closed Thursday's trading mixed: the Dow and the Nasdaq edged lower, and the S&P stagnated. On Friday, investors waited to see April's labour market statistics. The better-than-expected data sent equity markets down, as the recent data confirmed the picture of an intensifying US economy. On the last trading day of the week, the Dow sank 0.3%, the S&P inched down 0.1%, and the Nasdaq dropped 0.2%. Of the S&P's indices, utilities was the weakest component, with 2% fall. Friday's strongest sub-index was commodities (+0.4%).

In this morning's unfavourable investment mood in Asia, the key indices closed 0.5-1.5% lower. The fragile sentiment did not benefit from the worse-than-expected purchasing manager index from China, which signifies slowing economic activity. Today Japan's and South Korea's markets are closed for Children's day, the former will not open on Tuesday.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,42	↑ 1	↓ -2
US 10Y	2,59	↓ -3	↓ -9
JP 2Y	0,09	↑ 0	↑ 0
JP 10Y	0,62	↓ -1	↓ -1
GER 2Y	0,14	↓ -1	↓ -5
GER 10Y	1,46	↓ -4	↓ -6

CENTRAL BANKS' RATES

	Rate (%)	6M Consensus	1Y Consensus
Fed Funds	0,25	⇒ 0,25	⇒ 0,25
ECB Rate	0,25	⇒ 0,25	⇒ 0,25
BOE Rate	0,50	⇒ 0,50	⇒ 0,50
BOJ Rate	0,10	⇒ 0,10	⇒ 0,10
SNB Target	0,00	⇒ 0,00	⇒ 0,00

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
US 3M Libor	0,22	⇒ 0	↓ 0
US 2Y Swap	0,54	↓ -1	↓ 0
US 5Y Swap	1,75	↑ 4	↓ -5
EUR 3M Euribor	0,34	↓ 0	↓ -1
EUR 2Y Swap	0,43	↓ 0	↓ -4
EUR 5Y Swap	0,89	↓ -2	↓ -6
GB 3M Libor	0,53	↑ 0	↓ 0
GB 2Y Swap	1,10	⇒ 0	↓ -2
GB 5Y Swap	2,01	↓ -1	↓ -2
JP 3M Libor	0,14	⇒ 0	↓ 0
JP 2Y Swap	0,18	↓ -1	↓ -2
JP 5Y Swap	0,31	↓ -1	↓ -2
CHF 3M Libor	0,02	↑ 0	↑ 0
CHF 2Y Swap	0,05	↓ -1	↓ 0
CHF 5Y Swap	0,36	↓ -1	↓ -1

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	108,4	↓ -0,16	↑ 0,28
Gold	1 306	↑ 0,50	↑ 0,82

Source: Reuters, OTP Research

The USA published a number of important macroeconomic publications in the second half of last week.

The Fed Open Market Committee met on Tuesday and Wednesday. The FOMC left the benchmark rate unchanged, and reduced the size of the asset purchase programme by further USD 10 billion.

The **Chicago manufacturing purchasing managers index rose to a six-month high of 63.0 in April, more than the expected 56.7.** The surprisingly good reading stemmed from the new orders and production components.

According to Wednesday's data release, the **US economy expanded by 0.1% in the first quarter**; missing analysts' 1.1% forecast. The poor growth data may be put down to the worst winter in years, as well as to the significant fall in business orders and construction expenditure.

On Friday, the US Department of Labour released smaller-than-expected unemployment rate, and better employment figure. The US economy created 288,000 new jobs in April (more than the expected 215,000), the best figure in two years. Meanwhile, unemployment rate sank to 6.3%, as opposed to the estimated 6.7%.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS	
Wednesday	JP	Feb	Industrial output (flash, mom, %)	0,3	0,50	-2,30	
	DE	Apr	Unemployment rate (%)	6,7	6,7	6,7	
	EZ	Mar	Inflation (yoy, %)	0,7	0,8	0,5	
	US	Apr	ADP National Employment Statistic (mom, ths)	220	213	191	
	US	Q1	GDP (qoq, %)	0,1	1,1	2,6	
	US	Apr	Chicago PMI (point)	63,0	56,5	55,9	
	US	Apr	Fed Funds Target Rate (%)	0,25	-	0,3	
	US	Apr	QE (USD bn)	45,0	-	55,0	
	Thursday	US	Mar	Construction spendig (mom, %)	0,2	0,5	0,1
		US	Apr	ISM Manufacturing PMI (point)	54,9	54,3	53,7
Friday	US	Apr	Markit Manufacturing PMI (final, point)	55,4	-	55,4	
	EZ	Apr	Markit Manufacturing PMI (final, point)	53,4	53,3	53,3	
	EZ	Mar	Unemployment rate (%)	11,8	11,9	11,9	
	DE	Apr	Markit Manufacturing PMI (final, point)	54,1	54,2	54,2	
	US	Apr	Non-farm payrolls (ths)	288	210	192	
	US	Apr	Unemployment rate (%)	6,3	6,6	6,7	
	Monday	CN	Apr	HSBC Manufacturing PMI (final, point)	48,1	-	48,3
EZ		Mar	Producer prices (mom, %)	-	-0,2	-0,2	
US		Apr	Markit Services PMI (final, point)	-	-	54,2	
US		Apr	ISM Non-Manufacturing PMI (final, point)	-	54,1	53,1	

Source: Reuters, OTP Research

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

Fundamental Analyst
Piroska Beáta Szabó
szabopb@otpbank.hu
+36 1 354 7276

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: Hungarian Financial Supervisory Authority (PSZÁF, Pénzügyi Szervezetek Állami Felügyelete – 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 mihaela.neagu@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