

Headquarter Treasury Sales

Tania Fantana

+4021 30758 76

tania.fantana@otpbank.ro

Alexandru Tibuleac

+4021 30758 52

alexandru.tibuleac@otpbank.ro

Alina Gheorghita

+4021 30758 25

alina.gheorghita@otpbank.ro

Andreea Nica

+4021 30758 27

andreea.nica@otpbank.ro

Regional Treasury Sales

Szilamer Kozma - Cluj

+40755 000 400

szilamer.kozma@otpbank.ro

Tudor Zaman - Bucuresti

+4021 30758 76

tudor.zaman@otpbank.ro



Daily Report – Global markets

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
DJIA	18 059	↑ 0,11	↓ -0,37
S&P500	2 113	↑ 0,24	↑ 0,14
Nasdaq100	4 477	↑ 0,36	↑ 1,32
Russell2000	1 272	↑ 0,48	↑ 1,57
Stoxx600	407	↓ -0,44	↓ -0,47
DAX	11 724	↓ -1,21	↓ -1,10
FTSE 100	7 054	↑ 0,36	↓ -0,46
CAC40	5 179	↓ -0,62	↓ -0,26
ATX	2 613	↓ -0,16	↓ -0,67
IBEX35	11 426	↑ 0,23	↓ -1,83
Nikkei 225	20 020	↓ -0,83	↑ 1,87
Hang Seng	27 834	↑ 0,02	↑ 0,65
SSEC	4 367	↓ -1,07	↑ 1,86
SENSEX	27 735	↓ -0,56	↓ -0,60
RTS	1 028	↑ 2,44	↓ -5,43
Bovespa	55 685	↑ 1,95	↓ -0,10

FX MARKET

	Close	Daily chg. (%)	Weekly chg. (%)
EUR/USD	1,0824	↑ 0,91	↑ 0,17
EUR/CHF	1,0329	↓ -0,84	↑ 0,52
USD/GBP	1,5056	↑ 0,16	↑ 0,65
USD/JPY	119,38	↓ -0,15	↑ 0,40
AUD/USD	0,7783	↑ 0,08	↑ 0,17
USD/CAD	1,2143	↑ 0,02	↓ -0,85
USD/RUB	50,77	↓ -0,51	↓ -2,68

RISK INDICATORS

	Close	Daily chg (bp)	Weekly chg (bp)
VIX	12,5	↓ -0,2	↓ -0,1
CDS 5Y PIIS	12	↓ -3,6	↑ 12,8
CDS 5Y Italy	96	↓ -5,0	↑ 20,7
CDS 5Y Belg.	122	↓ -1,2	↓ -0,1
iTraxx 5Y EU	37,1	↑ 0,4	↑ 2,7
US TED Spread	60,1	→ 0,0	↓ -0,4

Source: Reuters, OTP Research

Summary

- The unfavourable growth indicators from Europe brought about negative sentiment and falling indices in Western Europe yesterday.
- The NASDAQ hit new high yesterday; Google, Microsoft and Amazon may advance further in today's session.
- Asia's indices closed mostly in the red this morning.

The lower-than-expected purchasing managers' indices for the eurozone and Germany discouraged investors in the morning, and the unfavourable growth indicators could not be offset by corporate news in Europe. The Stoxx600 index shed 0.4%, while the DAX was one of the worst performers in Western Europe. Technology was the weakest sector, dragged down by Ericsson's 10% plunge that came on the back of a disappointing earnings report. Bilfinger Berger, the construction giant, fell 18% after lowering this year's profit forecast as its American oil and gas arm undershot expectations, and demand for power plant constructions had waned. The rather cyclical car manufacturing industry did not fare well yesterday: almost all major European carmakers reversed more than 1%. The court has decided that Deutsche Bank pay USD 2.5 billion fine to US and European regulators for its role in the manipulation of the LIBOR. The ruling did not shake the banking share's price (-0.4%); reportedly, the bank had provisioned EUR 3.2 billion for legal fines. Michelin's better-than-expected sales figures lifted the tyre manufacturer's stock price by 6.5% yesterday. By the same token, Pernod-Ricard gained 2.4%, and Logitech rallied 5.4%, benefiting from higher annual profits.

In the USA, optimism ruled markets even though the published macroeconomic data painted a mixed a picture, as did corporate reports. Equity indices closed 0.5% higher. The March reading of new home sales was a far cry from forecasts and initial jobless claims also rose, while eBay and Caterpillar surprised investors with better-than-expected figures. The S&P and the NASDAQ booked slight gains by the end of the day, whereas the NASDAQ Composite hit new high above 5,061, surpassing the record high reached in the dotcom era. The index has increased 22% year on year, and it was 6.7% up year to date, largely owing to the surge in Apple (+17%), Amazon (+24.7%) and Biogen (+25.8%). The three giants of the technology sector also released their latest profit figures after market close; Google's revenue jumped by 12%, Microsoft's EPS has beaten expectations, and Amazon reported profit for the first time in its history. After market close, Google stood 3.5% higher, Microsoft was up 3.3%, and Amazon surged 6.8%, probably paving the way for today's tech rally in normal trading hours.

Most indices in Asia closed in the red this morning; Europe seems to be on the rise even though a new chapter may open in the Greek story after the eurozone finance ministers' meeting in Riga today.

GOV'T BOND MARKET

	Yield (%)	Daily chg (bp)	Weekly chg (bp)
US 2Y	0,54	↓ -1	↑ 5
US 10Y	1,96	↓ -2	↑ 7
JP 2Y	0,00	↓ 0	↓ -1
JP 10Y	0,31	↓ -1	↓ -1
GER 2Y	-0,26	↓ -1	↑ 1
GER 10Y	0,16	↑ 5	↑ 5

CENTRAL BANKS' RATES

	Rate (%)	6M Consensus	1Y Consensus
Fed Funds	0,25	↑ 0,5	↑ 1,00
ECB Rate	0,05	→ 0,05	→ 0,05
BOE Rate	0,50	→ 0,50	↑ 1,00
BOJ Rate	0,10	→ 0,10	→ 0,10
SNB Target	-0,75	→ -0,75	→ -0,75

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
US 3M Libor	0,28	↑ 0	↑ 0
US 2Y Swap	0,77	↓ 0	↑ 2
US 5Y Swap	1,48	↓ 0	↑ 6
EUR 3M Euribor	0,00	→ 0	↓ 0
EUR 2Y Swap	0,07	↑ 0	↑ 2
EUR 5Y Swap	0,21	↓ -2	↑ 3
GB 3M Libor	0,57	↓ 0	↓ -1
GB 2Y Swap	0,00	↓ -2	↓ 0
GB 5Y Swap	1,44	↓ -2	↓ -1
JP 3M Libor	0,09	→ 0	→ 0
JP 2Y Swap	0,12	↓ 0	↓ 0
JP 5Y Swap	0,21	↓ -2	↓ -1
CHF 3M Libor	-0,83	↑ 0	↓ -2
CHF 2Y Swap	0,00	↑ 77	↑ 79
CHF 5Y Swap	0,00	↑ 38	↑ 41

COMMODITIES

	Close	Daily chg. (%)	Weekly chg. (%)
Oil Brent	64,5	↓ -0,52	↑ 1,67
Gold	1 193	↓ -0,05	↓ -0,93

Source: Reuters, OTP Research

The eurozone's and Germany's purchasing managers' indices came in worse than expected; the April manufacturing and services indices have worsened, as opposed to the projected improvement. Neither did US new home sales statistics match expectations – although the market expected contraction, the size of fall has surpassed those expectations.

Germany's IFO index, published this morning, rose to 108.6, its highest in ten months.

	COUNTRY	DATE	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday	CN	Apr	HSBC Mfg Flash PMI (points)	49,2	49,6	49,6
	EZ	Apr	Markit Mfg Flash PMI (points)	51,9	52,6	52,2
	EZ	Apr	Markit Serv Flash PMI (points)	53,7	54,5	54,2
	DE	Apr	Markit Mfg Flash PMI (points)	51,9	53,0	52,8
	DE	Apr	Markit Serv Flash PMI (points)	54,4	55,5	55,4
	US	Mar	New home sales (annualized monthly, ths)	481	513	539
Friday	DE	Apr	IFO index (points)	108,6	108,4	107,9
	US	Mar	Durable Goods Orders (MoM, %)		0,6	-1,4

Source: Reuters, OTP Research

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

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

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