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Global Daily Report

Summary

- Macron's success in the first round of French presidential election caused optimism on advanced economies' equity markets; banking shares firmed, and the DAX hit a new all-time high.
- US stock markets gained impetus, headed by the banking and tech sectors.
- The government bond yields of France, Italy, Portugal, and Spain fell meaningfully. The euro appreciated, and the USD/HUF fell sharply.

Global stock markets opened the week brightly, as the success of the pro-Europe Macron in the first round of the French presidential election gave impetus to Europe's stock exchanges. The CAC40 surged 4.1%, the DAX broke record by soaring 3.4%, and the FTSE rallied 2.1%, as did the Stoxx600. France's banking shares excelled, propelling the banking sector across Europe; Credit Agricole and Société General shot up 11% and 10% respectively, and BNP jumped 7.5% higher. The EuroStoxx Banks index ended with a stellar 7.4% gain on Monday. Deutsche Bank and Commerzbank sky-rocketed 9.6% each yesterday. Banks helped Italy's FTSE MIB index advance 4.8%, Unicredit rallied 13%, and Intesa Sanpaolo's investors gained 7.5%. Elsewhere, Akzo Nobel grew by 6% as the US-based PPG raised its bid for the Dutch multinational by USD 28.8 billion. All of Europe's major stock markets ended in positive territory yesterday. In Europe, SAP and Puma are to publish their earnings figures today.

The relief caused by Mr Macron's success in the first round has also improved the sentiment in America, where the benchmark indices posted above-1% gains yesterday. The Dow and the S&P added 1.1% each, the NASDAQ100 climbed 1.2% higher, and the Russell went up 1.3%. All sector indices of the S&P, except real property, have increased, with financial service providers, industry, and technology making the biggest advance. The optimistic global sentiment bolstered US banking shares too: Bank of America soared 4.1%, JP Morgan surged 3.5%, and Citigroup closed 3% higher. Among investment service providers, Morgan Stanley grew by a whopping 4.2%, and Goldman advanced 2.9%. In a surprise post, President Trump said on Saturday he would announce a major tax reform and tax cut plan on 26 April. Meanwhile, the administration is at risk of shutting down on 29 April unless Congress approves the legislation that facilitates financing the government's work. Investors' fears may increase globally today – Donald Trump is to call an extraordinary meeting about North Korea as some suppose that, on the 85th anniversary of the Korean People's Army, Kim Jong Un may be ready for provocation. The Q1 earnings season may hold excitement in the forthcoming days when the figures of Alphabet, Amazon, Intel, Microsoft, and Twitter are due out.

Asia's markets continued Monday's rally, with the Nikkei climbing more than 1% higher, simultaneously with the yen's weakening. Recovering from the ailing on Monday, the sentiment in China was encouraging, with the benchmark indices ending in green.

Currency markets also felt the effect of the French elections: the EUR gained 1.3% vs. the USD, after surging as much as 2% earlier in the day. Other European currencies could also gain yesterday, with the SEK and the NOK appreciating almost 1.5% against the USD. The JPY lost 0.6% ground against the USD. Europe's government bond yields fell considerably on Monday, with the French 10Y bond down 10 basis points, and a similar rally took place in Italy, Portugal, and Spain. In contrast, German bond yields upped, as did British and American ones.

Despite the sanguinity on equity markets, silver was sought after yesterday (+0.2%), while gold futures dropped 0.9% and crude futures slipped 0.8%.

IFO's figures have beaten expectations, the headline index for April reached 112.9, its highest reading since July 2011. But the current conditions sub-index grew steeper, while the expectations gauge deteriorated in April; this warrants cautiousness. Among the industry's gauges, only the manufacturing sub-index failed to increase this month.

The most important data to be released in the USA today are the housing market data (price index, new home sales), and the consumer confidence index.

	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	2374,2	1,1	6,0	VIX	10,8	-25,9	-23	WTI	49,23	-0,8	-8,4
	DOW	20763,9	1,1	5,1	US 2Y	1,23	4,9	4	Brent	51,60	-0,7	-9,2
	Nasdaq100	5508,0	1,2	13,2	US 10Y	2,27	3,7	-16	Gold	1275,2	-0,7	10,7
	DAX	12455,0	3,4	8,5	GER 2Y	-0,69	7,9	10	Silver	17,90	0,1	12,3
	CAC40	5268,9	4,1	8,4	GER 10Y	0,34	8,4	13	EUR/USD	1,0867	1,3	3,4
	FTSE 100	7264,7	2,1	1,7	PT10Y	3,56	-20,1	-20	EUR/GBP	0,8490	1,4	-0,3
	FTSE MIB	20684,4	4,8	7,5	IT 10Y	2,18	-8,9	36	EUR/NOK	9,2888	-0,1	2,2
	Stoxx600	386,1	2,1	6,8	SP 10	1,60	-7,5	20	USD/CAD	1,3499	0,0	0,5
	- Banks	149,1	6,5	11,1	iTRAXX	68,0	-8,1	-6	AUD/USD	0,7566	0,3	4,9
	Nikkei 225	19089,3	1,1	-0,1	JPY 2Y	-0,21	0,1	-3	USD/JPY	109,75	0,6	-6,1
SSEC	3274,3	4,6	5,5	JPY 10Y	0,02	-0,4	-3	GBP/USD	1,2793	-0,1	3,7	
Regional	RTS	1116,6	3,0	-3,1	RUS10	7,67	-1,0	-8	USD/RUB	55,747	-1,2	-9
	WIG20	2296,9	1,5	17,9	POL 10	3,42	0,0	-6	EUR/PLN	4,2433	-0,4	-3,6
	PX50	992,5	1,5	7,7	CZ10	1,01	0,0	116	EUR/RON	4,5274	-0,1	-0,2
Hungary	BUX	33226	0,8	3,8	3M TB	0,15	0	-1	EUR/HUF	311,19	-0,4	0,8
	OTP	8363	1,2	-0,4	1Y	0,19	0	1	USD/HUF	286,48	-1,7	-2,4
	MOL	21400	0,7	3,7	3Y	1,06	-2	21	CHF/HUF	287,56	-2,1	-0,1
	MTelekom	487	0,0	-2,2	5Y	2,22	1	45	PLN/HUF	73,320	-0,3	4,7
	Richter	6970	0,9	12,2	10Y	3,32	-2	12	GBP/HUF	366,37	-2,3	1

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

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2017 4. 24.	9 : 00 HU	Retail sales (second estimate, yoy, %)	Febr.		-	1,0*
	10 : 00 DE	IFO Economic sentiment index (points)	Apr.		112,3	112,3
	25. 14 : 00 HU	Interest rate decision (%)	Apr.		0,9	0,9
	15 : 00 US	Case-Shiller Home Price Index (yoy, %)	Febr.		-	5,7
	16 : 00 US	Consumer confidence index (flash, points)	Apr.		-	125,6
	16 : 00 US	New home sales (annualized monthly, '000s)	March		-	592,0
	27. 6 : 00 JP	Interest rate decision (%)	Apr.		-0,1	-0,1
	11 : 00 EZ	EC Economic Sentiment Index (points)	Apr.		108	108
	13 : 45 EZ	Interest rate decision (deposit rate, %)	Apr.		0	-0,4
	13 : 45 EZ	Interest rate decision (lending rate, %)	Apr.		0,0	0,0
	14 : 00 DE	CPI (preliminary, yoy, %)	Apr.		1,9	1,6
	14 : 30 US	Durable goods orders (mom, %)	March		-	1,8
	16 : 00 US	Pending home sales (mom, %)	March		-	5,5
	28. 1 : 30 JP	CPI (yoy, %)	March		-	0,3
	1 : 30 JP	core-CPI (yoy, %)	March		0,3	0,2
	7 : 30 FR	GDP (preliminary, yoy, %)	Q1		-	1,1
	7 : 30 FR	GDP (preliminary, mom, %)	Q1		0,4	0,4
	8 : 00 DE	Retail sales (mom, %)	March		-0,3	1,8
	9 : 00 HU	Industrial producer prices (yoy, %)	March		-	4,0
	9 : 00 HU	Unemployment rate (%)	March		-	4,4
	9 : 00 ES	GDP (preliminary, mom, %)	Q1		-	0,7
	9 : 00 ES	GDP (preliminary, yoy, %)	Q1		-	3,0
	10 : 30 UK	GDP (preliminary, yoy, %)	Q1		2,2	1,9
	10 : 30 UK	GDP (preliminary, mom, %)	Q1		0	1
	11 : 00 EZ	CPI (preliminary, yoy, %)	Apr.		1,7	1,5
	11 : 00 EZ	Core CPI (flash, yoy, %)	Apr.		1,0	0,7
	14 : 30 US	GDP (preliminary, annualized qoq, %)	Q1		-	2,1
	15 : 45 US	Chicago PMI (points)	Apr.		-	58
	30. 3 : 00 CN	NBS Manufacturing PMI (points)	Apr.		-	51,8
	3 : 00 CN	NBS non-Manufacturing PMI (points)	Apr.		-	55,1

*preliminary data

Source: Reuters, OTP Research

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