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Global Daily Report

Summary

- The US Treasury Secretary announced the much-awaited tax reform plans, triggering a short-lived rise on stock markets and a brief USD firming.
- In Europe, the Macron rally seems to be petering out.
- Today's meeting of the ECB is not expected to change monetary conditions meaningfully.

US Treasury Secretary Steven Mnuchin announced the long-awaited tax reform plan. The White House is planning comprehensive tax cuts, with corporate tax rate for pass-through companies falling from 39.6% to 15%, and the repatriation tax dropping from 35% to 10%, while the personal income tax will be capped at 35%. Simultaneously, the property tax will be scrapped. The proposal makes no mention of the income-side consolidation, which may make it hard to push the bill through the Republican-majority legislation. However, speaker Paul Ryan said the House of Representatives agreed with 80% of the plan. This may be the first comprehensive tax reform in the USA since 1986; legislation may approve the bill some time in 2018.

Investors welcomed the announcement; US stock markets made up moves immediately, but the key indices sank into negative territory by the end of the day. In Europe, the Macron rally seems to be fading out: reversing Wednesday's small gains, stock markets started to descend today. Recent opinion polls suggest that Emmanuel Macron may win the second round of French presidential election at the end of next week.

This morning, the Bank of Japan kept its monetary conditions unchanged; the decision left the JPY flat. Asia's stock markets made subtle moves of less than 1% in both directions.

Deutsche Bank's revenues undershot expectations, but restructuring costs came in better than the management had forecast, thus the Bank's pre-tax profit beat the consensus forecast. DB's share price shrank 2.8%.

Today's meeting of the ECB is not expected to change monetary conditions or its communication meaningfully. In addition's to the preliminary inflation data from Germany, Durable goods orders and real property statistics are due out in the USA.

	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	2387,5	0,0	6,6	VIX	10,9	0,8	-23	WTI	49,24	-0,6	-8,3
	DOW	20975,1	-0,1	6,1	US 2Y	1,28	0,8	8	Brent	51,82	-0,5	-8,8
	Nasdaq100	5541,1	-0,1	13,9	US 10Y	2,31	-1,8	-12	Gold	1268,7	0,4	10,2
	DAX	12472,8	0,0	8,6	GER 2Y	-0,69	-1,7	10	Silver	17,46	-0,5	9,6
	CAC40	5287,9	0,2	8,8	GER 10Y	0,36	-2,0	15	EUR/USD	1,0903	-0,2	3,7
	FTSE 100	7288,7	0,2	2,0	PT10Y	3,57	-1,9	-19	EUR/GBP	0,8483	-0,3	-0,4
	FTSE MIB	20836,5	0,1	8,3	IT 10Y	2,30	4,7	48	EUR/NOK	9,3583	0,0	3,0
	Stoxx600	388,7	0,5	7,6	SP 10	1,70	3,8	31	USD/CAD	1,3613	0,3	1,4
	- Banks	150,4	-0,2	12,2	iTRAXX	67,0	1,1	-7	AUD/USD	0,7472	-0,8	3,6
	Nikkei 225	19289,4	0,0	0,9	JPY 2Y	-0,19	1,0	-1	USD/JPY	111,03	0,0	-5,0
SSEC	3274,3	4,2	5,5	JPY 10Y	0,02	-0,4	-3	GBP/USD	1,2846	0,0	4,1	
Regional	RTS	1119,1	-0,2	-2,9	RUS10	7,74	-0,1	-8	USD/RUB	57,110	1,7	-7
	WIG20	2383,97	1,3	22,4	POL 10	3,46	-0,1	-5	EUR/PLN	4,2250	0,1	-4,1
	PX50	998,7	0,6	8,4	CZ10	0,99	-2,6	113	EUR/RON	4,5327	0,2	-0,1
Hungary	BUX	33199	-1,0	3,7	3M TB	0,15	0	-1	EUR/HUF	312,30	0,3	1,1
	OTP	8199	-2,2	-2,4	1Y	0,23	4	5	USD/HUF	286,28	0,4	-2,5
	MOL	21650	0,6	4,9	3Y	1,05	-2	19	CHF/HUF	288,20	0,5	0,1
	MTelekom	488	0,2	-2,0	5Y	2,23	1	46	PLN/HUF	73,880	0,1	5,5
	Richter	7020	-1,7	13,0	10Y	3,31	-2	11	GBP/HUF	367,70	0,5	2

* 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.	0,8	-	1,0*
10 : 00	DE	IFO Economic sentiment index (points)	Apr.	112,9	112,3	112,3
25. 14 : 00	HU	Interest rate decision (%)	Apr.	0,9	0,9	0,9
15 : 00	US	Case-Shiller Home Price Index (yoy, %)	Febr.	5,9	5,7	5,7
16 : 00	US	Consumer confidence index (flash, points)	Apr.	120,3	122,5	125,6
16 : 00	US	New home sales (annualized monthly, '000s)	March	621,0	583,0	592,0
27. 6 : 00	JP	Interest rate decision (%)	Apr.	-0,1	-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		1,2	1,8
16 : 00	US	Pending home sales (mom, %)	March		-1	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	0,7
9 : 00	ES	GDP (preliminary, yoy, %)	Q1		2,9	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.		1,8	1,5
11 : 00	EZ	Core CPI (flash, yoy, %)	Apr.		1,0	0,7
14 : 30	US	GDP (preliminary, annualized qoq, %)	Q1		1,1	2,1
15 : 45	US	Chicago PMI (points)	Apr.		56	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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