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Global Daily Report

Summary

- Stock markets were mostly driven by corporate news on Thursday
- A number of big tech giants posted their earnings reports last night: Amazon and Alphabet grew, while Intel and Microsoft fell
- President Trump may not withdraw from NAFTA after all, as Canada and Mexico are willing to re-negotiate the treaty
- The ECB maintains its asset purchase programme; in a surprise move, Sweden's Riksbank extended its own programme

Most stock markets of the world closed slightly lower yesterday; only the NASDAQ could advance, probably fuelled by expectations about tech companies whose earnings reports were due out on Thursday. Share prices were chiefly driven by corporate earnings reports. Of the DAX components, Bayer and Deutsche Börse saw substantial gains, while Deutsche Bank, Lufthansa, and BASF all fell.

In America, a number of tech giants published their financial reports after market close. Benefiting from the reassuring figures in their Q1 report, Amazon and Alphabet (Google's parent company) soared more than 4% in after-hours trading. Despite the recent scandal affecting YouTube (a number of corporate commercials were displayed alongside videos with extreme content, ditching many advertisement contracts), Google's ad revenues from YouTube have surged dynamically. Intel shrank 3.5% as its Q1 figures missed analysts' forecasts; it was the revenues of the data centres, its most profitable business, that have been pale. In contrast, chip manufacturing did well; the management has even raised profit guidance for this year. Microsoft is also dipped 1.9%, as its hardware sales undershot forecasts, despite the rise on the PC market.

In the last moment, President Trump backed down on quitting NAFTA (North American Free Trade Agreement), as Canada's PM and Mexico's President said they were willing to re-negotiate the treaty. This triggered an appreciation of the Mexican peso but left the Canadian dollar unaffected.

Crude prices plunged as Libya's largest oil field resumed production, and US output has been rising for the tenth month in a row according to recent statistics. Iron ore price continued its fall; BHP warned of the significant oversupply, following a similar move by the World Bank.

As expected, the ECB left its key policy rate and the volume of asset purchase (60 billion EUR/month until the end of 2017) unchanged. At the post-meeting press conference, Mario Draghi said that the negative risks surrounding the eurozone's growth outlook had become less pronounced, but monetary policy tightening will not be on the agenda before inflation persistently returns close to the ECB's near-2% target. Following the decision and the news conference, the euro weakened against the dollar.

Sweden's Riskbank unexpectedly decided to extend its asset purchase programme, and its recent forecast does not expect the base rate to rise before the second half of 2018. As a result, the Swedish koruna weakened 0.5% versus the euro.

The strong business confidence in the eurozone was the most impressive of the data released on Thursday; it bodes well for the area's economic growth. Preliminary figures suggest that inflation in Germany surged to 2%, beating analysts' predictions. The preliminary GDP reading published in France this morning was somewhat short of expectations. Germany's retail sales statistics have surprised on the upside.

The Q1 US GDP data are due out today; analysts expect its growth to have slowed. In the corporate world, Chevron, Exxon, GM, and UBS are to post earnings reports today.

	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	2388,8	0,1	6,7	VIX	10,4	-4,5	-26	WTI	48,97	-0,5	-8,8
	DOW	20981,3	0,0	6,2	US 2Y	1,26	-2,0	6	Brent	51,44	-0,7	-9,5
	Nasdaq100	5571,3	0,5	14,6	US 10Y	2,30	-1,5	-14	Gold	1263,7	-0,4	9,7
	DAX	12443,8	-0,2	8,4	GER 2Y	-0,74	-4,7	5	Silver	17,22	-1,4	8,1
	CAC40	5271,7	-0,3	8,4	GER 10Y	0,30	-5,3	10	EUR/USD	1,0872	-0,3	3,4
	FTSE 100	7237,2	-0,7	1,3	PT10Y	3,48	-9,6	-28	EUR/GBP	0,8424	-0,7	-1,1
	FTSE MIB	20597,3	-1,1	7,1	IT 10Y	2,26	-4,8	43	EUR/NOK	9,3108	-0,5	2,5
	Stoxx600	387,8	-0,2	7,3	SP 10	1,63	-7,2	23	USD/CAD	1,3631	0,1	1,5
	- Banks	149,0	-1,0	11,1	iTRAXX	66,9	-0,2	-8	AUD/USD	0,7461	-0,1	3,4
	Nikkei 225	19196,7	-0,3	0,4	JPY 2Y	-0,21	-1,6	-3	USD/JPY	111,25	0,2	-4,8
	SSEC	3149,8	-0,1	1,5	JPY 10Y	0,02	-0,3	-3	GBP/USD	1,2902	0,4	4,6
Regional	RTS	1106,9	-1,1	-3,9	RUS10	7,74	0,0	-8	USD/RUB	57,004	-0,2	-7
	WIG20	2382,78	0,0	22,3	POL 10	3,41	-1,4	-6	EUR/PLN	4,2208	-0,1	-4,2
	PX50	1002,1	0,3	8,7	CZ10	0,99	-0,6	112	EUR/RON	4,5305	0,0	-0,1
Hungary	BUX	32960	-0,7	3,0	3M TB	0,15	0	-1	EUR/HUF	311,36	-0,3	0,8
	OTP	8040	-1,9	-4,3	1Y	0,23	0	5	USD/HUF	286,37	0,0	-2,4
	MOL	21715	0,3	5,2	3Y	1,00	-5	14	CHF/HUF	288,01	-0,1	0,0
	MTelekom	484	-0,8	-2,8	5Y	2,19	-4	42	PLN/HUF	73,780	-0,1	5,3
	Richter	6979	-0,6	12,4	10Y	3,27	-4	7	GBP/HUF	369,58	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.	110	108	108
	13 : 45 EZ	Interest rate decision (deposit rate, %)	Apr.	-0,4	-0,4	-0,4
	13 : 45 EZ	Interest rate decision (lending rate, %)	Apr.	0,0	0,0	0,0
	14 : 00 DE	CPI (preliminary, yoy, %)	Apr.	2,0	1,9	1,6
	14 : 30 US	Durable goods orders (mom, %)	March	0,7	1,2	1,8
	16 : 00 US	Pending home sales (mom, %)	March	-0,8	-1	5,5
	28. 1 : 30 JP	CPI (yoy, %)	March	0,2	-	0,3
	1 : 30 JP	core-CPI (yoy, %)	March	0,2	0,3	0,2
	7 : 30 FR	GDP (preliminary, yoy, %)	Q1	0,8	-	1,2
	7 : 30 FR	GDP (preliminary, mom, %)	Q1	0,3	0,4	0,4
	8 : 00 DE	Retail sales (mom, %)	March	0,1	-0,3	1,8
	9 : 00 HU	Industrial producer prices (yoy, %)	March	4,2	-	4,0
	9 : 00 HU	Unemployment rate (%)	March	4,5	-	4,4
	9 : 00 ES	GDP (preliminary, mom, %)	Q1	0,8	0,7	0,7
	9 : 00 ES	GDP (preliminary, yoy, %)	Q1	3,0	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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