

## Treasury Sales Team

### Headquarter Treasury Sales

**Alexandru Tibuleac**  
0372 31 85 85  
alexandru.tibuleac@otpbank.ro

**Ionut Constandache**  
0372 31 85 86  
ionut.constandache@otpbank.ro

**Corina Bejan**  
0372 31 85 87  
corina.bejan@otpbank.ro

**Andreea Nica**  
0755 000 106  
andreea.nica@otpbank.ro

### Regional Treasury Sales

**Szilamer Kozma - Cluj**  
0755 000 400  
szilamer.kozma@otpbank.ro

**Tudor Zaman - Bucuresti**  
0755 000 199  
tudor.zaman@otpbank.ro

**Alexandru Sabin - Arad**  
0755 000 255  
alexandru.sabin@otpbank.ro



# Global Daily Report

### Summary

- Europe's stock markets advanced on Thursday; America posted more modest gains
- Crude prices fell 5%, the RUB and the CAD weakened
- US and German government bond yields have risen, while yield spreads in the EZ periphery have reduced
- US legislation passed a budget that finances the government until September; the House of Representatives voted for dismantling Obamacare.

Benign sentiment ruled Thursday's trading in Europe. In the televised debate ahead of the second round of the French presidential election, the centrist Emmanuel Macron, whom opinion polls see as the leading candidate, performed impressively, which must have reassured markets. Corporate earnings reports also did their bit to help Europe's stock indices to gains. The figures of Adidas and BMW, published yesterday, have topped expectations.

America's indices did not fare as well as European benchmarks. As Facebook's weaker-than-expected earnings figures were little liked and the fall in oil prices also had an adverse effect on stock prices. In contrast, the financial sector benefited from the Fed's recent hint at further rate hikes. Asia ended mixed, with the Nikkei growing and China's indices falling.

Crude prices tumbled nearly 5% on strong turnover, the Brent closed below 50 USD/barrel. Markets fear that the US shale oil output growth may lead to oversupply and doubt if OPEC could convince other countries to extend the production quotas. Russia is willing to carry on curbing production, Energy Minister Alexander Novak said on Thursday. Copper price also shrank; a 1% drop led it to its four-month low, owing to the mounting stocks and concerns about demand. Gold lost nearly 1% of its shine.

The main event on currency markets was the euro's firming, most of which can be put down to the recent developments of the French presidential election. The plummeting oil price weighed on commodity exporters' currencies; the RUB and the CAD depreciated.

Yields on US government securities have risen due to expectations that the Fed would increase its interest rate. German and French 10Y yields also rose, but the yield spreads in the eurozone periphery countries have decreased.

US legislation worked really hard yesterday. Following the House of Representatives, Senate also passed the temporary budget act that secures government organizations' financing until September. This year's budget should have been accepted by October 2016; since then state institutions have been operating based on the previous year's budget targets. The temporary budget boosted defence spending by USD 12.5 billion, while it has little of the expense cuts promised by Donald Trump. Meanwhile the US House of Representatives, supported by Republicans, passed the American Health Care Act, which is meant to replace Obamacare. This is a huge success for Mr Trump, whose key campaign pledge was to end Obamacare, and this may make it more likely that his planned tax reform will also succeed. Yet Senate may oppose the bill as Republican Senators are planning to submit their own bill.

The string of retail sales data published in Europe were favourable, with March volumes in the eurozone expanding stronger than had been estimated. In today's important publications, job market figures 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	2389,5	0,1	6,7	VIX	10,5	-2,1	-25	WTI	45,52	-4,3	-15,3
	DOW	20951,5	0,0	6,0	US 2Y	1,31	1,2	11	Brent	48,38	-4,7	-14,9
	Nasdaq100	5626,3	0,0	15,7	US 10Y	2,36	4,7	-8	Gold	1227,3	-0,9	6,6
	DAX	12647,8	1,0	10,2	GER 2Y	-0,71	1,8	9	Silver	16,28	-0,7	2,2
	CAC40	5372,4	1,3	10,5	GER 10Y	0,39	6,1	18	EUR/USD	1,0984	0,9	4,5
	FTSE 100	7248,1	0,2	1,5	PT10Y	3,44	-2,8	-32	EUR/GBP	0,8499	0,5	-0,2
	FTSE MIB	21169,9	2,0	10,1	IT 10Y	2,25	-1,1	43	EUR/NOK	9,5302	1,2	4,9
	Stoxx600	392,0	0,7	8,5	SP 10	1,59	-1,4	20	USD/CAD	1,3747	0,1	2,4
	- Banks	154,4	1,8	15,1	iTRAXX	64,1	-1,9	-11	AUD/USD	0,7407	-0,2	2,7
	Nikkei 225	19445,7	0,7	1,7	JPY 2Y	-0,20	-0,2	-3	USD/JPY	112,45	-0,2	-3,8
SSEC	3130,4	0,1	0,9	JPY 10Y	0,02	-0,2	-3	GBP/USD	1,2920	0,4	4,7	
Regional	RTS	1081,2	-1,4	-6,2	RUS10	7,69	1,3	-8	USD/RUB	58,378	1,8	-5
	WIG20	2381	-0,5	22,2	POL 10	3,48	0,3	-4	EUR/PLN	4,2274	0,6	-4,0
	PX50	1001,8	0,5	8,7	CZ10	0,82	0,1	76	EUR/RON	4,5446	0,0	0,2
Hungary	BUX	32290	0,7	0,9	3M TB	0,15	0	-1	EUR/HUF	312,08	0,2	1,1
	OTP	7815	-0,4	-7,0	1Y	0,22	0	4	USD/HUF	284,30	-0,7	-3,1
	MOL	21355	1,4	3,5	3Y	1,02	2	16	CHF/HUF	288,05	0,1	0,0
	MTelekom	486	0,4	-2,4	5Y	2,15	2	38	PLN/HUF	73,810	-0,4	5,4
	Richter	6795	1,3	9,4	10Y	3,24	2	3	GBP/HUF	367,20	-0,3	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 5. 1.	2 : 30	JP	Nikkei Manufacturing PMI (points)	April	52,7	-	52,8
	14 : 30	US	Personal income (mom, %)	March	0,2	0,3	0,4
	14 : 30	US	Personal consumption (adjusted, mom, %)	March	0,0	0,3	0,1
	16 : 00	US	Construction expenditure (mom, %)	March	-0,2	0,4	0,8
	16 : 00	US	ISM Manufacturing PMI (points)	April	54,8	56,4	57,2
2.	9 : 00	HU	Manufacturing PMI (points)	April	55,9	-	56,0
	11 : 00	EZ	Unemployment rate (%)	March	9,5	9,4	9,5
	21 : 30	US	Vehicle sales (annualized monthly, million)	April	16,9	17,2	16,6
3.	9 : 00	HU	Trade balance (detailed, monthly, EURmn)	February	881,0	-	633*
	11 : 00	EZ	GDP (preliminary, qoq, %)	Q1	0,5	0,5	0,4
	11 : 00	EZ	GDP (preliminary, yoy, %)	Q1	1,7	1,7	1,7
	14 : 15	US	ADP non-farm employment (mom, '000s)	April	177	175,0	255,0
	16 : 00	US	ISM non-Manufacturing PMI (points)	April	57,5	55,8	55,2
	20 : 00	US	Interest rate decision (%)	May	0,75-1,0	0,75-1,0	0,75-1,0
4.	9 : 00	HU	Retail sales (first estimate, yoy, %)	March	3,6	-	1,2
	11 : 00	EZ	Retail sales (mom, %)	March	0,3	0,1	0,7
	16 : 00	US	Factory orders (mom, %)	March	0,2	0,4	1,0
5.	9 : 00	HU	Industrial production (preliminary, yoy, %)	March	12,8	-	2,7
	11 : 00	HU	International reserves (final, EURbn)	March		-	24,4*
	11 : 00	HU	Aggregate real MNB home-price index	16Q4		-	117,6
	14 : 00	RO	Interest rate decision (%)	May		1,8	1,8
	14 : 30	US	Unemployment rate (%)	April		4,6	4,5
	14 : 30	US	Average earnings (yoy, %)	April		2,7	2,7
	14 : 30	US	Average earning (mom, %)	April		0,3	0,2
	14 : 30	US	Non-farm payroll (mom, '000s)	April		185,0	98,0
	15 : 30	US	Stanley Fischer's speech (Hoover Monetary Policy Conference)	May		-	-
7.	23 : 00	FR	Presidential election (second round)	-		-	E. Macron

\*preliminary data

Source: Reuters, OTP Research

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

**Analyst**  
Gábor Pellényi  
pellenyig@otpbank.hu  
+36 1 374 7276

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