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# Global Daily Report

### Summary

- Benign sentiment ruled Europe's markets on Friday; US trading was less upbeat
- US core inflation sank to a 17-month low of less than 2%, triggering a 0.7% USD weakening vs. the EUR
- China announced plans to rebuild the new Silk Road, a gigantic infrastructure investment

Benign sentiment ruled Europe's markets on Friday; US trading was less upbeat. In Europe, the DAX advanced 0.5%, the CAC40 added 0.4%, and the FTSE100 closed 0.7% higher. In America, the S&P500 slipped 0.15%, while the NASDAQ100 upped 0.22%.

On balance, Asia ended a buoyant session this morning. The Nikkei changed only trivially (-0.1%), while China's SSECOMP gained 1.5% even though the macro statistics released this morning missed expectations. Its growth may be attributed to China's announcement to build the Silk Road.

In America, the mixed sentiment stemmed from the statistics released on Friday. Inflation in April slowed from 2.4% to 2.2% as the base effects of last year's rebound in oil price are fading out. But more importantly, core inflation dropped below 2% (to 1.9%) for the first time in 17 months. Consequently, at the end of Friday markets gave 79% probability (down from 83% on Thursday) that the Fed would raise interest rates in June again. Friday's the month/month growth of US retail sales missed expectations, while the Michigan consumer sentiment index slightly exceeded them.

As a result of the lower-than-expected inflation, the dollar lost 0.7% versus the euro and 0.4% against the yen.

Oil price eased about 0.5% in Friday's trading while precious metal prices inched up as US inflation came in lower than had been thought.

China's president announced that his country would support the building of the new Silk Road by USD 125 billion. The project aims at substantially improving China's infrastructural link with Asia, Europe, and Africa. The month/month statistics published in China this morning were short of analysts' forecasts and suggest that growth in China may be slowing from the upturn seen at the beginning of the year.

The WannaCrypt0r ransomware infected a number of countries, particularly Britain and Russia, during weekend. So far 200,000 computers have been infected in 150 countries worldwide. Security experts warn that even though the virus was temporarily neutralized, it may re-emerge on Monday when people return to work. In Europe, Spain's Telefonica, America's FedEx, as well as the UK-based plants of Renault and Nissan had to suspend or reduce operation.

	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	2390,9	-0,1	6,8	VIX	10,4	-1,9	-26	WTI	48,77	2,0	-9,2
	DOW	20896,6	-0,1	5,7	US 2Y	1,29	-5,3	10	Brent	50,84	0,1	-10,5
	Nasdaq100	5686,2	0,2	16,9	US 10Y	2,33	-6,7	-10	Gold	1228,3	0,3	6,7
	DAX	12770,4	0,5	11,2	GER 2Y	-0,67	-1,1	12	Silver	16,46	1,0	3,3
	CAC40	5405,4	0,4	11,2	GER 10Y	0,39	-3,1	19	EUR/USD	1,0928	0,6	3,9
	FTSE 100	7435,4	0,7	4,1	PT10Y	3,38	-2,4	-38	EUR/GBP	0,8478	0,6	-0,5
	FTSE MIB	21575,5	0,4	12,2	IT 10Y	2,25	-3,9	43	EUR/NOK	9,3566	0,2	3,0
	Stoxx600	395,6	0,3	9,5	SP 10	1,62	-2,2	22	USD/CAD	1,3708	0,1	2,1
	- Banks	153,5	0,4	14,4	iTRAXX	63,2	1,4	-13	AUD/USD	0,7385	0,1	2,4
	Nikkei 225	19869,9	-0,1	4,0	JPY 2Y	-0,17	0,4	1	USD/JPY	113,33	-0,4	-3,0
SSEC	3130,4	1,5	0,9	JPY 10Y	0,04	-0,3	-1	GBP/USD	1,2890	0,1	4,5	
Regional	RTS	1099,8	-0,5	-4,6	RUS10	7,59	-0,3	-9	USD/RUB	57,043	0,0	-7
	WIG20	2368,5	0,2	21,6	POL 10	3,33	-1,0	-8	EUR/PLN	4,2117	-0,3	-4,4
	PX50	1018,0	0,5	10,5	CZ10	0,83	2,0	79	EUR/RON	4,5445	0,0	0,2
Hungary	BUX	34436	1,7	7,6	3MTB	0,15	0	-1	EUR/HUF	309,50	-0,2	0,2
	OTP	8485	2,8	1,0	1Y	0,22	0	4	USD/HUF	283,31	-0,7	-3,5
	MOL	22950	2,9	11,2	3Y	0,92	1	6	CHF/HUF	282,87	-0,2	-1,8
	MTelekom	469	0,2	-5,8	5Y	1,98	-2	21	PLN/HUF	73,310	-0,1	4,7
	Richter	6915	-0,5	11,4	10Y	3,05	-3	-15	GBP/HUF	365,50	-0,7	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 5. 15.	4 : 00 CN	Industrial production (yoy, %)	Apr.	6,5	7,1	7,6
	4 : 00 CN	Retail sales (yoy, %)	Apr.	10,6	10,6	10,9
	4 : 00 CN	Infrastructural investments (yoy, %)	Apr.	8,9	9,1	9,2
	14 : 30 US	New York Fed Manufacturing index (points)	May		8,0	5,2
16.	9 : 00 HU	GDP (preliminary, yoy, %)	Q1		3,35	1,6
	9 : 00 HU	GDP (preliminary, qoq, %)	Q1		0	0,4
	9 : 00 SK	GDP (preliminary, yoy, %)	Q1		3,1	3,1
	9 : 00 RO	GDP (preliminary, yoy, %)	Q1		4,4	4,8
	10 : 00 CZ	GDP (preliminary, yoy, %)	Q1		-	1,9
	10 : 00 IT	GDP (preliminary, yoy, %)	Q1		0,8	1
	10 : 00 PL	Mario Draghi's speech in the Dutch Parliament	-		3,9	2,7
	10 : 30 UK	Inflation (yoy, %)	Apr.		2,6	2,3
	11 : 00 EZ	GDP (preliminary, yoy, %)	Q1		1,7	1,7*
	11 : 00 EZ	GDP (preliminary, qoq, %)	Q1		0,5	0,5*
	11 : 00 DE	ZEW Economic Sentiment (points)	-		21,7	19,5
	14 : 30 US	Building permits (annualized monthly, '000s)	Apr.		1270	1267
	14 : 30 US	Housing starts (annualized monthly, '000s)	Apr.		1265,0	1215
	15 : 15 US	GDP (preliminary, qoq, SA %)	Apr.		0,3	0,5
17.	11 : 00 EZ	GDP (preliminary, qoq, NSA %)	Apr.		1,9	1,9*
	14 : 00 PL	Interest rate decision (%)	May		1,5	1,5
18.	1 : 50 JP	GDP (qoq, %)	Q1		0,4	0,3
	10 : 30 UK	Retail sales (mom, %)	Apr.		1	-1,8
	16 : 00 US	Leading index (mom, %)	Apr.		0,4	0,4
19.	9 : 00 HU	Gross wages (yoy, %)	March		-	10,7
	16 : 00 EZ	Consumer confidence index (flash, points)	May		-3,1	-3,6

\*preliminary data

Source: Reuters, OTP Research

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