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# Global Daily Report

## Summary

- Tuesday's trading ended mixed on both sides of the Atlantic.
- Tech indices went to new highs in the USA.
- Asia closed in the red this morning.

Tuesday's trading ended mixed on Europe's stock markets, where the FTSE rallied 0.9% to close at an all-time high, the DAX stagnated, and the CAC40 shed 0.2%. The Stoxx600 edged 0.1% lower, while a bunch of important corporate earnings figures saw the light of day. Britain's EasyJet reported a record-high loss of GBP 212 million, worse than analysts had forecast; the budget airline's share price descended 7%. Vodafone's stock price soared 4% on plans to augment free cash flow by 23% this year, easing investors' fears concerning dividend payment. Électricité de France's shares surged 6% as France's new president Emmanuel Macron appointed a former nuclear energy lobbyist as new Prime Minister. The decline in April new car sales in Europe caused a reversal in the automotive share prices.

Tuesday's session was not homogenous in America either. The Dow and the S&P500 nudged slightly down, while the S&P hit a new intraday high, the NASDAQ Composite and the NASDAQ100 closed at their highest on record. Of the S&P's sector indices, utilities, real estate, and the energy sectors were the weakest ones. Despite the Russian-Saudi talks, oil price dropped again ahead of Wednesday's meeting of the OPEC economic committee in Vienna. The technology sector's march higher was not enough to keep the S&P in positive territory until the end of the day. Once again, the tech sector was driven by semiconductors, but they were accompanied by IT service providers this time. NVidia advanced 1.9%, Applied Materials added 1.7%, Microsoft and IBM both gained 1.4%. Cheering investors with better-than-expected quarterly earnings figures, Home Depot went up 0.9%. Cisco Systems and Target, a retail chain, will publish their earnings reports tomorrow.

Asia closed in the red this morning. The Nikkei ended 0.5% down in Japan, where machinery orders figures have contracted in year/year comparison.

On currency markets, the dollar's weakening continued, the Bloomberg Dollar Spot Index dropped for the fifth consecutive day. The dollar lost 1.0% versus the euro and 0.2% against the GBP.

On international bond markets there was huge demand for the long-term bonds issued by France and Britain. Bids for the 40-year bond issued by the UK amounted to GBP 26 billion, and those for the French government securities that mature in May 2048 hit EUR 31 billion. Britain accepted GBP 5 billion, and France allotted EUR 7 billion of the bids.

Eurostat confirmed the eurozone's GDP growth at 1.7%, in line with the preliminary data. The EZ's economy expanded by 0.5% from the previous quarter. The pick-up in investment growth may have been partly offset by the modest rises in consumer spending and net exports.

In the first quarter of 2017, Hungary's GDP expanded by an unadjusted 4.1% year/year. Elsewhere in Central and Eastern Europe, Poland grew by 4.0%, and Romania's economy surged 5.7% year over year in the January-March period.

The confidence indicators of Germany's ZEW institute painted a mixed picture. The survey on the eurozone in May has beaten expectations, substantially surpassing the previous month's reading, but the sentiment in Germany has only modestly improved.

The retail sales and consumer price indices published in the United Kingdom yesterday signify that inflation in April was higher than had been thought.

The housing market statistics published in the USA yesterday caused disappointment. Building permits in April declined 2.5%, as opposed to the expected moderate increase, and housing starts contracted by 2.6% from the previous month, wrong-footing optimists who had anticipated 4% growth. However, industrial production in general, and particularly manufacturing output last month intensified faster than expected.

Later today the eurozone construction statistics will see the light of day, and the EIA will release its weekly data on US petroleum inventories.

	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	2400,7	-0,1	7,2	VIX	10,7	2,2	-24	WTI	48,66	-0,4	-9,4
	DOW	20979,8	0,0	6,2	US 2Y	1,30	0,0	10	Brent	51,65	-0,3	-9,1
	Nasdaq100	5724,4	0,3	17,7	US 10Y	2,33	-1,1	-11	Gold	1236,4	0,5	7,4
	DAX	12804,5	0,0	11,5	GER 2Y	-0,67	0,9	13	Silver	16,82	1,4	5,6
	CAC40	5406,1	-0,2	11,2	GER 10Y	0,43	0,3	22	EUR/USD	1,1082	1,0	5,4
	FTSE 100	7522,0	0,9	5,3	PT10Y	3,29	-8,8	-47	EUR/GBP	0,8580	0,9	0,7
	FTSE MIB	21787,9	0,4	13,3	IT 10Y	2,22	-5,2	40	EUR/NOK	9,3835	0,0	3,3
	Stoxx600	395,9	0,0	9,5	SP 10	1,62	-0,9	23	USD/CAD	1,3604	-0,2	1,3
	- Banks	156,2	0,5	16,5	iTRAXX	61,9	-0,6	-14	AUD/USD	0,7426	0,2	2,9
	Nikkei 225	19814,9	-0,5	3,7	JPY 2Y	-0,15	1,0	2	USD/JPY	113,11	-0,6	-3,2
SSEC	3130,4	0,6	0,9	JPY 10Y	0,04	-0,1	-1	GBP/USD	1,2916	0,2	4,7	
Regional	RTS	1113,0	-0,6	-3,4	RUS10	7,55	0,3	-10	USD/RUB	56,600	0,5	-8
	WIG20	2340,34	-1,5	20,1	POL 10	3,35	-0,1	-8	EUR/PLN	4,1743	-0,5	-5,2
	PX50	1027,1	0,6	11,4	CZ10	0,84	0,1	79	EUR/RON	4,5468	-0,1	0,3
Hungary	BUX	34078	-1,1	6,5	3M TB	0,15	0	-1	EUR/HUF	308,70	0,0	0,0
	OTP	8475	-0,3	0,9	1Y	0,20	0	2	USD/HUF	278,67	-0,9	-5,1
	MOL	22550	-1,1	9,3	3Y	0,92	-1	6	CHF/HUF	282,55	0,2	-1,9
	MTelekom	465	-1,5	-6,6	5Y	1,96	-1	19	PLN/HUF	73,950	0,6	5,6
	Richter	6814	-2,2	9,7	10Y	3,12	3	-8	GBP/HUF	359,75	-0,8	-0,4

\* 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 Infrustructural investments (yoy, %)	Apr.	8,9	9,1	9,2
	14 : 30	US New York Fed Manufacturing index (points)	May	-1,0	7,0	5,2
16.	9 : 00	HU GDP (preliminary, yoy, %)	Q1	4,1	3,35	1,6
	9 : 00	HU GDP (preliminary, qoq, %)	Q1	1,3	-	0,4
	9 : 00	SK GDP (preliminary, yoy, %)	Q1	3,1	3,1	3
	9 : 00	RO GDP (preliminary, yoy, %)	Q1	5,7	4,4	4,8
	10 : 00	CZ GDP (preliminary, yoy, %)	Q1	2,9	2,3	1,9
	10 : 00	IT GDP (preliminary, yoy, %)	Q1	0,8	0,8	1
	10 : 00	PL Mario Draghi's speech in the Dutch Parliament	-	4	3,9	2,7
	10 : 30	UK Inflation (yoy, %)	Apr.	2,7	2,6	2,3
	11 : 00	EZ GDP (preliminary, yoy, %)	Q1	1,7	1,7	1,7*
	11 : 00	EZ GDP (preliminary, qoq, %)	Q1	0,5	0,5	0,5*
	11 : 00	DE ZEW Economic Sentiment (points)	-	20,6	21,7	19,5
	14 : 30	US Building permits (annualized monthly, '000s)	Apr.	1229	1270	1267
	14 : 30	US Housing starts (annualized monthly, '000s)	Apr.	1 172	1260	1215
	15 : 15	US Industrial production (mom, %)	Apr.	1,0	0,4	0,5
17.	11 : 00	EZ CPI (final, yoy, %)	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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