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Global Daily Report

Summary

- The political turmoil in the USA hit stock markets yesterday
- Europe's and America's stock markets fell sharply, the dollar weakened; demand for safe haven assets has risen

News on US politics damaged stock markets on both sides of the Atlantic. President Trump's most recent scandal after firing the FBI's Director has put his economic programme off the table. The Dow plummeted 370 points. Banking shares were particularly ailing, as they could have gained from the looser regulation of the financial system. One of the few stocks that could make gain was Colgate; its CEO said he would be willing to sell the company to a suitor at 100 USD/share (earlier they were traded near USD 72).

The pessimism spread over to Asia as well, despite the better-than-expected macro data published there. Japan's GDP expanded faster than had been thought, and surprisingly, unemployment rate in Australia reduced.

Amid the strong demand for safe haven assets, gold price soared almost 2%. Oil price also grew as US weekly inventory data signified contraction for the sixth time in a row, although at a smaller rate than analysts had estimated.

The dollar was also hit hard by the US political tensions, as once again, the market is beginning to price in lower Fed interest rate path. The EUR/USD marched 0.7% higher to a six-month peak. The yen gained 2% ground from the greenback by Wednesday evening.

Government bond yields fell sharply; the 10Y US yield slid 10 points.

Few macrostatistics were released on Wednesday. Noteworthy, unemployment in the UK slid to a 42-year low of 4.6%.

Today's important releases are the Philadelphia Fed manufacturing index for May, and April retail sales data from the UK. In the corporate world, Wal-Mart is to publish its Q1 earnings figures. In Europe, the minutes of the ECB's most recent rate-setting meeting will see the light of day, in addition to ECB President Mario Draghi's speech.

	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	2357,0	-1,8	5,3	VIX	15,6	46,4	11	WTI	49,07	0,8	-8,7
	DOW	20606,9	-1,8	4,3	US 2Y	1,25	-5,3	5	Brent	52,21	1,1	-8,1
	Nasdaq100	5580,6	-2,5	14,7	US 10Y	2,22	-11,1	-22	Gold	1260,4	1,9	9,5
	DAX	12631,6	-1,4	10,0	GER 2Y	-0,69	-2,0	11	Silver	16,85	0,2	5,7
	CAC40	5317,9	-1,6	9,4	GER 10Y	0,38	-4,4	18	EUR/USD	1,1158	0,7	6,1
	FTSE 100	7503,5	-0,2	5,0	PT10Y	3,22	-7,3	-54	EUR/GBP	0,8602	0,3	1,0
	FTSE MIB	21283,7	-2,3	10,7	IT 10Y	2,16	-5,9	34	EUR/NOK	9,3780	-0,1	3,2
	Stoxx600	391,1	-1,2	8,2	SP 10	1,56	-6,6	16	USD/CAD	1,3601	0,0	1,3
	- Banks	154,0	-1,4	14,8	iTRAXX	63,5	2,6	-12	AUD/USD	0,7431	0,1	3,0
	Nikkei 225	19553,9	-1,3	2,3	JPY 2Y	-0,15	0,4	3	USD/JPY	110,80	-2,0	-5,2
SSEC	3130,4	0,8	0,9	JPY 10Y	0,05	0,2	0	GBP/USD	1,2969	0,4	5,1	
Regional	RTS	1104,3	-0,8	-4,2	RUS10	7,60	0,7	-9	USD/RUB	57,070	0,8	-7
	WIG20	2302,21	-1,6	18,2	POL 10	3,33	-0,4	-8	EUR/PLN	4,1902	0,4	-4,9
	PX50	1020,6	-0,6	10,7	CZ10	0,84	0,0	79	EUR/RON	4,5660	0,4	0,7
Hungary	BUX	34146	0,2	6,7	3M TB	0,17	2	1	EUR/HUF	308,75	0,0	0,0
	OTP	8720	2,9	3,8	1Y	0,20	0	2	USD/HUF	276,85	-0,7	-5,7
	MOL	22020	-2,4	6,7	3Y	0,92	1	6	CHF/HUF	282,43	0,0	-1,9
	MTelekom	461	-0,9	-7,4	5Y	1,96	0	19	PLN/HUF	73,630	-0,4	5,1
	Richter	6850	0,5	10,3	10Y	3,12	0	-8	GBP/HUF	358,56	-0,3	-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 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	1,9*
	14 : 00	PL Interest rate decision (%)	May	1,5	1,5	1,5
18.	1 : 50	JP GDP (qoq, %)	Q1	0,5	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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