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# Global Daily Report

### Summary

- The leading equity markets of the world fell owing to geopolitical tensions; commodity prices increased and the US dollar slightly dropped
- The Fed may keep up the tightening cycle, the minutes of its most recent meeting suggest
- As expected, US inflation exceeded 2% in March.

The exchange of communication blows between the USA and Russia, triggered by the weekend's chemical attack in Syria, sent the most important stock markets tumbling yesterday. Crude and gold prices rose, and the US dollar depreciated versus the euro. The sentiment soured across the USA, but the higher crude prices benefited oil companies. Within the Dow Jones Industrial Average, Exxon (+0.4%) posted the strongest gain, and Chevron (+0.3%) made the third biggest one.

In Europe, the stock markets of Iceland and Hungary closed in positive territory. The DAX slid 0.9% and the CAC40 closed 0.6% lower. Frankfurt's outperformers included Deutsche Telekom, which surged 2.5%.

This morning Asia followed the direction advanced economies started yesterday, even though South Korea and India rose only modestly.

The minutes of the Fed's latest rate-setting meeting reveal that decision-makers unanimously saw America's economy picking up, and they expect inflation to rise over the next year – these developments suggest that further rate hikes may follow. The Fed funds rates are currently at 1.5-1.75%, and market pricing suggests that investors anticipate two more rate hikes this year, by 25 basis points each in June and September.

The US March inflation reading did not cause surprise: both the headline index and the core CPI reading matched analysts' forecast (at 2.4% and 2.1% respectively, signifying a considerable acceleration since February, because of base effects). The month/month figures suggest that annual inflation is unlikely to grow further in the near future, but the current values have overshot the Fed's target, while the labour market's position is also in sync with the respective leg of the Fed's dual mandate target.

Europe will release industrial production data, and the minutes of the ECB's latest rate decision are due out 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	2642,2	-0,6	-1,2	VIX	20,2	-1,1	83	WTI	66,82	1,8	10,6
	DOW	24189,5	-0,9	-2,1	US 2Y	2,31	-0,4	42	Brent	72,06	1,4	7,8
	Nasdaq100	6583,5	-0,5	2,9	US 10Y	2,79	-0,7	38	Gold	1352,9	1,0	3,9
	DAX	12294,0	-0,8	-4,8	GER 2Y	-0,56	-0,4	7	Silver	16,63	0,5	-1,9
	CAC40	5277,9	-0,6	-0,7	GER 10Y	0,50	-1,5	7	EUR/USD	1,24	0,1	3,1
	FTSE 100	7257,1	-0,1	-5,6	PT10Y	1,69	-2,6	-24	EUR/GBP	0,87	0,1	-1,8
	FTSE MIB	23012,9	-0,7	5,3	IT 10Y	1,78	-1,3	-22	EUR/NOK	9,6	-0,4	-2,5
	Stoxx600	376,2	-0,6	-3,3	SP 10	1,27	0,7	-31	USD/CAD	1,26	-0,2	0,0
	- Banks	160,8	-0,4	-2,5	iTRAXX	57,4	0,8	27	AUD/USD	0,78	-0,1	-0,6
	Nikkei 225	21660,3	-0,1	-4,9	JPY 2Y	-0,15	-0,2	-2	USD/JPY	106,78	-0,4	-5,2
SSEC	3179,9	-0,9	-3,8	JPY 10Y	0,03	0,4	-2	GBP/USD	1,4176	0,0	4,9	
Regional	RTS	1083,5	-0,7	-6,1	RUS10	7,53	-1,1	-1	USD/RUB	62,451	-0,9	8,3
	WIG20	2271,9	-0,1	-7,7	POL 10	2,98	-1,9	-10	EUR/PLN	4,1829	-0,1	0,2
	PX50	1124,0	-0,1	4,3	CZ10	1,78	-0,3	17	EUR/RON	4,6592	0,1	-0,4
Hungary	BUX	37971,6	0,2	-3,6	3M BUBOR	0,03	0,0	0	EUR/HUF	311,18	0,0	0,2
	OTP	11170,0	0,0	4,2	3M D T-Bill	0,06	0,1	2	USD/HUF	251,52	-0,1	-2,8
	MOL	2966,0	1,7	-1,3	3Y	0,81	-0,7	26	CHF/HUF	262,58	-0,2	-0,9
	MTelekom	452,5	0,1	-1,2	5Y	1,34	-1,0	17	PLN/HUF	74,330	0,1	0,1
	Richter	5285,0	-1,8	-22,1	10Y	2,40	-2,5	35	GBP/HUF	356,51	-0,1	2,0

\* In the case of bond yields, the change is in basis points instead of percentage (VIX and ITRAXX not included).

Sources: Reuters, OTP Research

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2018 4. 9. 8 : 00	DE	Export (mom, %)	Febr.	-1,3	0	-0,5
9 : 00	HU	Trade balance (preliminary, monthly, EUR mn)	Febr.	838,0	-	698,0
10 : 30	EZ	Sentix Investor confidence (points)	Apr.	19,6	20,0	24,0
11 : 00	HU	Fiscal balance (monthly, billion HUF)	March	-345,3	-	-333,8
10. 9 : 00	HU	Inflation (yoy, %)	March	2,0	2,0	1,9
9 : 00	HU	Core inflation (yoy, %)	March	2,5	-	2,4
11. 10 : 30	UK	Industrial production (mom, %)	Febr.	0,4	0,3	1,3
14 : 00	PL	Interest rate decision (%)	Apr.	1,5	1,5	1,5
14 : 30	US	CPI (yoy, %)	March	2,4	2,4	2,2
14 : 30	US	CPI (mom, %)	March	0,0	-0,1	0,2
14 : 30	US	core-CPI (yoy, %)	March	2,1	2,1	1,8
14 : 30	US	core-CPI (mom, %)	March	0,2	0,2	0,2
20 : 00	US	Federal budget balance (USDbn)	March	-194,0	-	-215,0
20 : 00	US	FOMC Minutes	March	-	-	-
12. 9 : 00	HU	Industrial production (second estimate, yoy, %)	Febr.	4,1	-	4,1*
11 : 00	EZ	Industrial production (mom, %)	Febr.		0,5	-1,0
13 : 30	EZ	ECB Minutes	March		-	-
13. 8 : 00	DE	CPI (final, yoy, %)	March		1,6	1,6*
9 : 00	HU	Construction output (yoy, %)	Febr.		-	43,2

\*preliminary data

Sources: Reuters, OTP Research

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