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# Global Daily Report

### Summary

- Western Europe's stock markets closed higher, benefiting from cheering corporate earnings reports
- US markets fell, the S&P closed near its intraday low yesterday
- The Fed left interest rates unchanged

Reopening after the 1 May holiday, the major stock markets of Europe rallied on Wednesday. The Stoxx600 added 0.6%, the DAX grew by 1.5%, and the FTSE upped 0.3%. Even though the preliminary data on the eurozone's Q1 GDP growth indicated deceleration, the string of corporate earnings reports released on Wednesday stole the show. Austria's AMS, who supplies chips for Apple, rallied 7% yesterday, benefiting from the latter's cheering financial report. Denmark's Novo Nordisk surged 4.3% as its earnings figures topped expectations, even though the pharmaceutical company warned that its profitability was likely to wane. Adidas, Bayer, and Infineon are to release their reports today.

America did not make investors any happier; all of its key indices closed in the red. The Dow and the S&P lost 0.7% each. The S&P was dragged down by the non-cyclical consumption sector, and to a smaller extent, by the health care and financial sectors. The technology sector could not remain in the positive territory; the NASDAQ Composite shed 0.4%, and the NASDAQ100 dropped 0.6%. Apple's surprisingly good earnings report, published after market close on Tuesday, helped it surge 4% on Wednesday but other aces of the technology sector headed down, in all segments. Snapchat nose-dived 22% in the aftermath of disappointing revenue and user figures. In macroeconomic releases, ADP's non-farm employment data surpassed expectations by signifying 204,000 expansion in private sector employment in April – yet this figure is less than the 241,000 gauge in March. At the end of its two-day meeting, concluded on Wednesday, the Fed left interest rates unchanged, but noted that inflation had edged down and it may reach or exceed the central bank's 2% target over the coming months. Markets expect three interest rate hikes later this year, with the first one likely occurring in June.

Tesla's quarterly report, published afterhours on Wednesday, surprised on the upside in many respects: its revenue slightly exceeded expectations, and the loss was smaller than thought. It was the first time when the report came with the official announcement to become profitable in the third and fourth quarters, and generate positive cash flow. This hinges on reaching the target of manufacturing 5,000 Model 3 cars per week, and on substantially increasing the gross margin. However, some voices claim that the carmaker may soon need to increase capital – but Elon did not share this view at the conference call. Tesla's share price reversed 4.5% in after-hours trading.

The USD's continued appreciation sent the EUR/USD to 1.1945 by the end of Wednesday. The greenback made inroads into the GBP too, sending the GBP/USD below 1.36.

Crude futures changed trivially yesterday: the Brent inched down 0.2% the WTI nudged 0.6% higher on Wednesday. In industrial metals, copper price grew more than 1%.

Japan's stock markets were closed, most of China's indices climbed higher, but Hong Kong sank this morning. China's top smartphone maker, Xiaomi announced an IPO in Hong Kong, the biggest once since 2014, hoping to raise USD 10 billion.

Trade talks between the USA and China are to commence today. In macroeconomic publications, manufacturing orders and non-manufacturing ISM figures are due out today. Eurostat is to release its inflation readings for April.

	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	2635,7	-0,7	-1,4	VIX	16,0	3,1	45	WTI	67,9	1,0	12,4
	DOW	23925,0	-0,7	-3,2	US 2Y	2,50	-1,6	61	Brent	73,36	0,3	9,7
	Nasdaq100	6644,5	-0,6	3,9	US 10Y	2,96	-1,2	55	Gold	1304,5	0,1	0,2
	DAX	12802,3	1,5	-0,9	GER 2Y	-0,56	0,9	7	Silver	16,35	1,5	-3,5
	CAC40	5529,2	0,2	4,1	GER 10Y	0,58	1,7	16	EUR/USD	1,20	-0,4	-0,4
	FTSE 100	7543,2	0,3	-1,9	PT10Y	1,68	1,1	-25	EUR/GBP	0,88	-0,1	-0,9
	FTSE MIB	24265,6	1,2	11,0	IT 10Y	1,78	0,0	-22	EUR/NOK	9,71	0,0	-1,4
	Stoxx600	387,4	0,6	-0,4	SP 10	1,31	2,9	-26	USD/CAD	1,29	0,3	2,4
	- Banks	159,6	0,1	-3,3	iTRAXX	54,8	-0,8	21	AUD/USD	0,75	0,1	-3,9
	Nikkei 225	22472,8	0,0	-1,3	JPY 2Y	-0,14	0	0	USD/JPY	109,83	0,0	-2,5
SSEC	3088,5	0,2	-6,6	JPY 10Y	0,04	0	-1	GBP/USD	1,36	-0,3	0,5	
Regional	RTS	1136,6	-1,5	-1,5	RUS10	7,3	0,3	-4	USD/RUB	64,066	0,5	11,1
	WIG20	2291,92	0,0	-6,9	POL 10	3,2	3,2	-4	EUR/PLN	4,27	-0,1	2,2
	PX50	1116,9	0,1	3,6	CZ10	1,7	1,0	15	EUR/RON	4,660	-0,2	-0,4
Hungary	BUX	37970	-0,9	-3,6	3M DKJ	0,04	0	0	EUR/HUF	314,54	0,2	1,3
	OTP	11270	-0,7	5,1	1Y	0,10	0	5	USD/HUF	263,22	0,6	1,7
	MOL	2922	-2,7	-2,8	3Y	0,76	0	21	CHF/HUF	263,21	0,8	-0,7
	MTelekom	452	0,4	-1,3	5Y	1,36	2	19	PLN/HUF	73,65	-0,6	-0,8
	Richter	5345	1,7	-21,2	10Y	2,62	4	57	GBP/HUF	357,04	0,3	2,2

\* 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. 30.	3 : 00	CN NBS Manufacturing PMI (points)	Apr.	51,4	51,3	51,5
	3 : 00	CN NBS non-Manufacturing PMI (points)	Apr.	54,8	-	54,6
	8 : 00	DE Retail sales (mom, %)	March	-0,6	0,9	-0,2
	14 : 00	DE CPI (flash, yoy, %)	Apr.	1,6	1,6	1,6
	14 : 30	US Personal income (mom, %)	March	0,3	0,4	0,4
	14 : 30	US Personal consumption (adjusted, mom, %)	March	0,4	0,4	0,2
	15 : 45	US Chicago PMI (points)	Apr.	57,6	57,7	57,4
	16 : 00	US Pending home sales (mom, %)	March	0,4	0,6	3,1
5. 1.	16 : 00	US Construction expenditure (mom, %)	March	-1,7	0,4	0,1
	16 : 00	US ISM Manufacturing PMI (points)	Apr.	57	59	59
	21 : 30	US Vehicle sales (annualized monthly, million)	Apr.	17,2	17,3	17,5
2.	9 : 00	HU Manufacturing PMI (points)	Apr.	53,3	-	56,6
	11 : 00	EZ Unemployment rate (%)	March	8,5	8,5	8,5
	11 : 00	EZ GDP (preliminary, yoy, %)	Q1	2,5	3	3
	11 : 00	EZ GDP (preliminary, qoq, %)	Q1	0,4	0,5	0,6
	11 : 00	IT GDP (preliminary, yoy, %)	Q1	1,4	1,5	1,6
	11 : 00	IT GDP (preliminary, qoq, %)	Q1	0,3	0,3	0,3
	14 : 15	US ADP non-farm employment (mom, '000s)	Apr.	204	200	241
	20 : 00	US Interest rate decision (%)	May	1,5-1,75	1,5-1,75	1,5-1,75
3.	9 : 00	HU Industrial producer prices (yoy, %)	March		-	3,9
	9 : 00	HU Trade balance (detailed, monthly, EUR mn)	Febr.		-	838*
	11 : 00	EZ CPI (flash, yoy, %)	Apr.		1,4	1,3
	11 : 00	EZ Core CPI (flash, yoy, %)	Apr.		0,9	1,0
	16 : 00	US Factory orders (mom, %)	March		0,9	1,2
	16 : 00	US ISM non-Manufacturing PMI (points)	Apr.		58,4	58,8
4.	9 : 00	HU Retail sales (first estimate, yoy, %)	March		-	6,6
	10 : 00	HU Aggregated real house price index (Nat. Bank of Hungary)	Q4		-	127,6
	11 : 00	EZ Retail sales (mom, %)	March		0,6	0,1
	14 : 30	US Unemployment rate (%)	Apr.		4,0	4,1
	14 : 30	US Average earnings (yoy, %)	Apr.		2,7	2,7
	14 : 30	US Average earnings (mom, %)	Apr.		0,2	0,3
	14 : 30	US Non-farm payroll (mom, '000s)	Apr.		198	103

\*preliminary data

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