

# Global Daily Report



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### Summary

- The mood was positive on the US and European stock markets.
- EU leaders decided in favour of a flexible Brexit-delay until October 31.
- The ECB's Governing Council held its regular meeting.
- Oil prices rose.

US indices ended the day in the positive territory; the Nasdaq100 gained 0.6%, the S&P 0.5%, while the Dow stagnated. Investor sentiment was supported by the minutes issued about the Fed's latest Open Market Committee meeting. According to the document, decision makers do not plan more interest rate hikes for 2019, due to the domestic and external economic uncertainties. In their reasoning, policymakers highlighted the slowdown of growth in the US, weaker global economic environment, uncertainties regarding Brexit and trade war tensions. Trading in European markets was also supported by an upbeat sentiment: the DAX moved upwards by 0.5%, the CAC40 and the Stoxx600 by 0.3%, while the FTSE100 lost 0.1%. Stock market growth was helped by the dovish press conference of the ECB.

EU-leaders agreed on yesterday's summit to allow a flexible Brexit-delay until October 31. According to the decision, the British have time to adopt the withdrawal agreement until the end of October, but they also have the ability cancel the Brexit-process. The "flexible" delay means, that the United Kingdom can leave the EU before October 31, if the British parliament ratifies the withdrawal agreement earlier. On the other hand, the condition for the delay until the end of October, is that the UK would participate in the European Parliamentary elections. If this requirement is not met, Britain can crash out of the EU without a deal on June 1.

The ECB's Governing Council held its regular meeting. In accordance with expectations, policymakers did not change the base rate. Based on the official statement the the press conference following the meeting, decision makers saw downward risks stronger, but factors impacting the economic outlook negatively are expected to weaken. All in all Mario Draghi's tone was definitely dovish. The chairman of the ECB suggested that the central bank is ready to use all available tools to meet its inflation target.

According to Bloomberg, the Italian government revised its economic forecast for 2019 from 1% to 0.1%. At the same time the expected budget deficit was also revised from 2.04% to 2.5%, which could cause a renewed conflict with the European Commission.

The pound gained 0.2% against the euro. There was a general decline of government bond yields: the yields on US and German 10 year instruments decreased by 2.2-2.7 basis points. Oil prices rose before the OPEC-meeting on Friday: the Brent gained 1.6%, the WTI 1.0%.

The US inflation statistics for March was published. Consumer prices rose by 1.9% YoY, 0.1% more than the economic consensus. Core inflation was 2.0%, which his 0.1% lower the expectations of analysts.

It may be worth following the responses of key players of British politics about the Brexit delay. Furthermore, the meeting of the representatives of OPEC-countries begins 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       | 2888,2  | 0,3              | 15,2    | VIX          | 13,3  | -6,9          | -48   | WTI            | 64,6   | 1,0              | 42,3    |
|          | DOW          | 26157,2 | 0,0              | 12,1    | US 2Y        | 2,33  | -1,7          | -17   | Brent          | 71,73  | 1,6              | 33,3    |
|          | Nasdaq100    | 7611,5  | 0,6              | 20,2    | US 10Y       | 2,48  | -2,2          | -21   | Gold           | 1307,8 | 0,3              | 2,0     |
|          | DAX          | 11905,9 | 0,5              | 12,8    | GER 2Y       | -0,59 | -1,4          | 0     | Silver         | 15,21  | -0,1             | -1,8    |
|          | CAC40        | 5449,9  | 0,2              | 15,2    | GER 10Y      | -0,03 | -2,7          | -28   | EUR/USD        | 1,1273 | 0,1              | -1,7    |
|          | FTSE 100     | 7421,9  | 0,0              | 10,3    | PT10Y        | 1,17  | -2,7          | -55   | EUR/GBP        | 0,8612 | -0,2             | -4,1    |
|          | FTSE MIB     | 21671,8 | 0,0              | 18,3    | IT 10Y       | 2,56  | -2,1          | -22   | EUR/NOK        | 9,5768 | -0,6             | -3,3    |
|          | Stoxx600     | 386,7   | 0,3              | 14,5    | SP 10        | 1,05  | -3,8          | -38   | USD/CAD        | 1,3320 | -0,1             | -2,3    |
|          | - Banks      | 121,1   | -0,5             | 7,2     | iTRAXX       | 60,0  | -1,8          | -31,9 | AUD/USD        | 0,7170 | 0,7              | 1,7     |
|          | Nikkei 225   | 21703,6 | 0,1              | 8,4     | JPY 2Y       | -0,16 | 0,1           | -3    | USD/JPY        | 111,00 | -0,1             | 1,3     |
|          | SSEC         | 3194,7  | -1,5             | 28,1    | JPY 10Y      | -0,06 | -0,4          | -6    | GBP/USD        | 1,3089 | 0,2              | 2,6     |
| Regional | RTS          | 1262,5  | 1,1              | 18,4    | RUS10        | 8,3   | -1,1          | -5    | USD/RUB        | 64,204 | -1,1             | -7,9    |
|          | WIG20        | 2391,8  | 1,0              | 5,1     | POL 10       | 2,9   | -0,5          | 2     | EUR/PLN        | 4,28   | -0,1             | -0,2    |
|          | PX50         | 1086,3  | 0,3              | 10,1    | CZ10         | 1,8   | -1,5          | -6    | EUR/RON        | 4,754  | 0,0              | 2,2     |
| Hungary  | BUX          | 42226   | 0,4              | 7,9     | 3M DKJ       | 0,02  | -6,0          | -5    | EUR/HUF        | 321,30 | -0,3             | 0,1     |
|          | OTP          | 12820   | 0,9              | 13,6    | 1Y           | 0,26  | -1,6          | -19   | USD/HUF        | 284,92 | -0,4             | 1,9     |
|          | MOL          | 3280    | 0,1              | 6,6     | 3Y           | 1,40  | 0,1           | 14    | CHF/HUF        | 284,94 | -0,2             | -0,2    |
|          | MTelekom     | 470     | 0,6              | 6,8     | 5Y           | 2,18  | 1,0           | -35   | PLN/HUF        | 75,10  | -0,1             | 0,7     |
|          | Richter      | 5515    | -0,5             | 1,6     | 10Y          | 3,19  | -1,0          | 15    | GBP/HUF        | 373,58 | 0,2              | 4,9     |

\* 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.  |
|-------------------|-----|--|--------|--------|-------|--------|
| 2019 4. 8. 8 : 00 | DE  | Export (mom, %)                                    | Feb    | -1,3   | -0,5  | 0,0    |
| 9 : 00            | HU  | Trade balance (preliminary, monthly, EUR mn)       | Feb    | 891,0  | 600   | 392    |
| 10 : 30           | EZ  | Sentix Investor confidence (points)                | Apr    | -0,3   | -2,1  | -2,2   |
| 11 : 00           | HU  | Fiscal balance (monthly, billion HUF)              | Mar    | -209,3 | -     | -177,2 |
| 16 : 00           | US  | Factory orders (mom, %)                            | Feb    | -0,5   | -0,6  | 0,1    |
| 9. 9 : 00         | HU  | Inflation (yoy, %)                                 | Mar    | 3,7    | 3,4   | 3,1    |
| 9 : 00            | HU  | Core inflation (yoy, %)                            | Mar    | 3,8    | 3,6   | 3,5    |
| 10. 10 : 30       | UK  | Industrial production (mom, %)                     | Feb    | 1      | 0,1   | 0,6    |
| 13 : 45           | EZ  | Interest rate decision (deposit rate, %)           | Apr    | 0,0    | 0,0   | 0,0    |
| 13 : 45           | EZ  | Interest rate decision (lending rate, %)           | Apr    | -0,4   | -0,4  | -0,4   |
| 14 : 30           | US  | CPI (yoy, %)                                       | Mar    | 1,9    | 1,8   | 1,5    |
| 14 : 30           | US  | CPI (mom, SA, %)                                   | Mar    | 0,4    | 0,3   | 0,2    |
| 14 : 30           | US  | core-CPI (yoy, %)                                  | Mar    | 2,0    | 2,1   | 2,1    |
| 14 : 30           | US  | core-CPI (mom, SA, %)                              | Mar    | 0      | 0,2   | 0,1    |
| 20 : 00           | US  | Federal budget balance (USDbn)                     | Mar    | -147,0 | -180  | -234   |
| 20 : 00           | US  | FOMC Minutes                                       | Mar    |        | -     | -      |
| 11. 14 : 30       | US  | Continuing jobless claims ('000s)                  | weekly |        | 1738  | 1717   |
| 14 : 30           | US  | Initial jobless claims ('000s)                     | weekly |        | 211   | 202    |
|                   |     | OPEC Meeting                                       | -      |        | -     | -      |
| 12. 9 : 00        | HU  | Industrial production (second estimate, yoy, %)    | Feb    |        | -     | 5,9*   |
| 11 : 00           | EZ  | Industrial production (mom, %)                     | Feb    |        | -0,6  | 1,4    |
| 16 : 00           | US  | Michigan Consumer confidence (preliminary, points) | Apr    |        | 98,0  | 98,4   |
|                   |     | IMF - World Bank Semiannual Spring Summit (2 days) | -      | -      | -     | -      |

\*preliminary data

Sources: Reuters, OTP Research

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