

# Global Daily Report



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### Summary

- The advanced world's stock markets suffered massive losses on Tuesday.
- The European Commission revised down its forecast for the eurozone's 2019 growth.

Tuesday's trading was overshadowed by Donald Trump's threat to lift import tariffs on USD 200 bn of Chinese goods from 10% to 25%, starting from Friday. In order to advance Sino-American talks, which have not borne fruit as yet, China's chief negotiator flies to Washington, to move closer to an agreement. There was no remedy for investors' angst in yesterday's session, thus the benchmark indices fell by more than 1% on both sides of the Atlantic.

The European Commission's spring economic forecast for 2019 came with lower growth projections for a number of countries. The EC now expects the eurozone to expand by 1.2% this year, as opposed to the previous estimate of 1.3%. The projection for Germany's economic growth was also cut to 0.5% (from 1.1%), citing the uncertainty caused by the trade war. Downside risks to the eurozone's growth prospects remained prominent, the Commission's experts concluded.

By the end of the day, the euro worked off most of the morning's loss from the USD. The 10Y US yield dropped two basis points and the German Bund yield one fell four bps.

The BUX lost more than 1%, and Poland's WIG20 fell 2.5% on Tuesday.

In emerging market currencies, the Turkish lira was the weakest performer, reflecting investors' worries about the independence of Turkey's institutions. The extraordinary motion filed by Recep Tayyip Erdogan's party was approved, thus the mayoral election in Istanbul, where the largest oppositional alliance had won, shall be re-run.

Trade war fears left their mark on the crude market as well; Brent and WTI closed lower. Gold and silver prices inched up, while the most important industrial metal prices sank.

Tuesday's pessimism has not eased and Asia's key indices stood in the red before the close this morning. The yen's appreciation against the USD continued today. Germany's industrial production data, released this morning, wrong-footed economists who had projected 0.5% contraction, whereas the March outturn signifies 0.5% month/month expansion.

Today's important publications include the minutes of the ECB's latest rate decision, and oil inventory data from the USA. Any developments about US-China trade talks are also worth keeping an eye on.

	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	2884,1	-1,7	15,0	VIX	19,3	25,1	-24	WTI	61,4	-1,4	35,2
	DOW	25965,1	-1,8	11,3	US 2Y	2,28	-2,7	-22	Brent	69,88	-1,9	29,9
	Nasdaq100	7640,2	-2,0	20,7	US 10Y	2,45	-5,2	-24	Gold	1284,3	0,3	0,1
	DAX	12092,7	-1,6	14,5	GER 2Y	-0,61	-1,0	-2	Silver	14,91	0,0	-3,7
	CAC40	5395,8	-1,6	14,1	GER 10Y	-0,04	-4,6	-28	EUR/USD	1,1190	-0,1	-2,4
	FTSE 100	7260,5	-1,6	7,9	PT10Y	1,11	-2,2	-61	EUR/GBP	0,8556	0,1	-4,8
	FTSE MIB	21219,1	-0,9	15,8	IT 10Y	2,59	1,2	-19	EUR/NOK	9,7815	0,2	-1,3
	Stoxx600	381,6	-1,4	13,0	SP 10	0,97	-1,3	-45	USD/CAD	1,3472	0,2	-1,2
	- Banks	120,0	-2,5	6,1	iTRAXX	61,5	4,0	-30	AUD/USD	0,7011	0,3	-0,5
	Nikkei 225	21602,6	-1,4	7,9	JPY 2Y	-0,15	0,1	-2	USD/JPY	110,24	-0,5	0,6
	SSEC	2915,0	-0,4	16,9	JPY 10Y	-0,05	0,1	-5	GBP/USD	1,3074	-0,2	2,5
Regional	RTS	1237,9	-0,6	16,1	RUS10	8,2	-0,2	-7	USD/RUB	65,374	0,2	-6,2
	WIG20	2233,8	-2,5	-1,9	POL 10	3,0	-1,3	5	EUR/PLN	4,29	0,2	0,0
	PX50	1063,5	-0,1	7,8	CZ10	1,9	-0,8	-4	EUR/RON	4,755	0,0	2,2
Hungary	BUX	41085	-1,1	5,0	3M DKJ	0,08	-0,9	1	EUR/HUF	324,15	0,1	1,0
	OTP	12460	-0,7	10,4	1Y	0,27	0,0	-18	USD/HUF	289,51	0,2	3,5
	MOL	3096	-1,7	0,6	3Y	1,52	0,6	27	CHF/HUF	283,43	-0,1	-0,7
	MTelekom	456	-0,2	3,6	5Y	2,34	1,0	-19	PLN/HUF	75,51	-0,1	1,2
	Richter	5615	-1,4	3,4	10Y	3,38	0,0	34	GBP/HUF	378,14	0,0	6,2

\* 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.
2019 5. 6.	9 : 00	HU Retail sales (first estimate, yoy, %)	Mar	5,9	-	8,4
	10 : 30	EZ Sentix Investor confidence (points)	May	5,3	1,4	-0,3
	11 : 00	EZ Retail sales (mom, %)	Mar	0,0	-0,1	0,4
7.	2 : 30	JP Nikkei Manufacturing PMI (points)	Apr	50,2	-	49,5
	8 : 00	DE Industrial orders (mom, %)	Mar	0,6	1,5	-4,2
	11 : 00	EZ EC's Economic Forecast	-	-	-	-
8.	8 : 00	DE Industrial production (mom, %)	Mar	0,5	-0,5	0,7
	9 : 00	HU Industrial production (preliminary, yoy, %)	Mar		6,1	5,9
	10 : 00	HU International reserves (preliminary, EURbn)	Apr		-	27,5
	13 : 30	EZ ECB Minutes	Apr		-	-
9.	9 : 00	HU Trade balance (preliminary, monthly, EUR mn)	Mar		-	816
	9 : 00	HU Inflation (yoy, %)	Apr		4,0	3,7
	9 : 00	HU Core-inflation (yoy, %, SA)	Apr		3,8	3,8
	11 : 00	HU Fiscal balance (monthly, billion HUF)	Apr		-	-209,3
	14 : 30	US Continuing jobless claims ('000s)	weekly		1670	1671
	14 : 30	US Initial jobless claims ('000s)	weekly		220	230
	14 : 30	US Jerome Powell speech	-		-	-
10.	8 : 00	DE Export (mom, %)	Mar		-0,3	-1,3
	10 : 30	UK Industrial production (mom, %)	Mar		0,1	0,6
	10 : 30	UK GDP (preliminary, qoq, %)	Q1		0,5	0,2
	10 : 30	UK GDP (preliminary, yoy, %)	Q1		1,8	1,4
	14 : 30	US CPI (yoy, %)	Apr		2,1	1,9
	14 : 30	US CPI (mom, SA, %)	Apr		0,4	0,4
	14 : 30	US core-CPI (yoy, %)	Apr		2,1	2,0
	14 : 30	US core-CPI (mom, SA, %)	Apr		0,2	0,1
20 : 00	US Federal budget balance (USDbn)	Apr		165	-147	

Sources: Reuters, OTP Research

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