

# Global Daily Report



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### Summary

- Europe's and America's key indices closed in positive territory on Wednesday.
- The USA-China trade standoff seems to be easing.
- Italy's deficit may exceed 3% in 2020.

Europe's stock markets opened Wednesday's trading on a downbeat note, before an end-of-session rally drive benchmarks into positive territory. The sudden increase may be attributable to the promising developments in the USA-China trade war tension. US President Donald Trump said he had a special relationship with China's president, adding that trade negotiations had not collapsed. Previously, China also agreed to continuing talks. Germany's DAX surged 0.9%, Britain's FTSE100 grew by 0.8%, France's CAC40 added 0.6%, and the Stoxx600 closed 0.5% higher.

America's key indices also ended in positive territory, with the Dow climbing 0.5%, the S&P500 advancing 0.6%, and the Nasdaq100 gaining 1.4%.

In his testimony before Senate Appropriations Subcommittee yesterday, US Treasury Secretary Steven Mnuchin said that trade talks were close to an understanding on removing US import tariffs on aluminium and steel from Mexico and Canada.

Italy might break the European Union's fiscal rules, in order to reduce unemployment, Deputy Prime Minister Matteo Salvini said. The European Commission's forecast expects Italy's budget deficit to be at 2.5% of GDP in 2019 and exceed 3.5% in 2020, breaching the 3% deficit rule. That would exacerbate the conflict between Italy and the European Commission.

On the fixed income market, the yield on the 10Y US instrument fell 4.0 basis points, and that of the German 10Y Bund dropped 2.5 bps yesterday. Conversely, Italy's 10Y government bond yield upped 0.8 bps.

The USA is to release important housing market data today. Any development in the USA-China trade talks, particularly the new measure affecting Huawei, are also worth keeping an eye on. On Wednesday the Trump administration banned US companies from selling parts for Chinese telephone manufacturers without approval from the government. This could add to tensions in the trade talks.

	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	2851,0	0,6	13,7	VIX	16,4	-9,0	-35	WTI	63,5	2,8	39,9
	DOW	25648,0	0,5	9,9	US 2Y	2,17	-3,5	-33	Brent	71,77	0,7	33,4
	Nasdaq100	7503,3	1,4	18,5	US 10Y	2,38	-4,0	-31	Gold	1296,4	0,0	1,1
	DAX	12099,6	0,9	14,6	GER 2Y	-0,66	-1,7	-7	Silver	14,80	0,1	-4,4
	CAC40	5374,3	0,6	13,6	GER 10Y	-0,10	-2,5	-34	EUR/USD	1,1200	0,0	-2,3
	FTSE 100	7297,0	0,8	8,5	PT10Y	1,15	-0,9	-57	EUR/GBP	0,8721	0,5	-2,9
	FTSE MIB	20863,1	-0,1	13,9	IT 10Y	2,75	0,8	-3	EUR/NOK	9,7633	-0,4	-1,4
	Stoxx600	378,1	0,5	12,0	SP 10	0,96	-1,6	-46	USD/CAD	1,3437	-0,2	-1,5
	- Banks	116,4	-0,1	3,0	iTRAXX	66,3	0,9	-25	AUD/USD	0,6927	-0,2	-1,7
	Nikkei 225	21044,7	-0,7	5,1	JPY 2Y	-0,16	0,0	-2	USD/JPY	109,58	0,0	0,0
	SSEC	2946,1	0,3	18,1	JPY 10Y	-0,06	-1,2	-6	GBP/USD	1,2848	-0,4	0,7
Regional	RTS	1247,0	0,4	17,0	RUS10	8,2	-0,1	-7	USD/RUB	64,656	-0,4	-7,2
	WIG20	2169,18	0,2	-4,7	POL 10	2,8	-0,7	0	EUR/PLN	4,30	-0,2	0,3
	PX50	1052,1	0,2	6,6	CZ10	1,8	-1,6	-6	EUR/RON	4,760	0,0	2,3
Hungary	BUX	40291	0,5	2,9	3M DKJ	0,09	-0,1	2	EUR/HUF	324,59	0,1	1,1
	OTP	12210	1,3	8,1	1Y	0,28	-1,0	-17	USD/HUF	289,63	0,1	3,5
	MOL	3196	0,4	3,8	3Y	1,36	-2,6	10	CHF/HUF	287,12	0,1	0,6
	MTelekom	428	-0,5	-2,7	5Y	2,16	-3,0	-37	PLN/HUF	75,40	0,2	1,1
	Richter	5125	0,0	-5,6	10Y	3,18	-5,0	14	GBP/HUF	372,88	-0,2	4,7

\* 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. 14.	9 : 00	HU	Industrial production (second estimate, yoy, %)	Mar	8,0	-	8,0*
	9 : 00	HU	Construction output (yoy, %)	Mar	67,6	-	48,0
	11 : 00	DE	ZEW Economic Sentiment (points)	May	2,1	5,0	3,1
	11 : 00	EZ	Industrial production (mom, %)	Mar	-0,3	-0,3	-0,2
15.	4 : 00	CN	Infrastructural spending (yoy, %)	Apr	6,1	6,4	6,3
	4 : 00	CN	Industrial production (yoy, %)	Apr	5,4	6,5	8,5
	4 : 00	CN	Retail sales (yoy, %)	Apr	7,2	8,6	8,7
	8 : 00	DE	GDP (preliminary, yoy, %)	Q1	0,6	0,7	0,9
	8 : 00	DE	GDP (preliminary, qoq, %, SA)	Q1	0,4	0,4	0,0
	8 : 00	RO	GDP (preliminary, yoy, %)	Q1	5,0	3,9	4,1
	9 : 00	HU	GDP (preliminary, yoy, %)	Q1	5,3	5,1	5
	9 : 00	HU	GDP (preliminary, qoq, %, SA)	Q1	1,5		1,0
	9 : 00	SK	GDP (preliminary, yoy, %)	Q1	3,7	3,6	3,6
	10 : 00	PL	GDP (preliminary, yoy, %)	Q1	4,6	4,5	4,9
	11 : 00	EZ	GDP (second estimate, yoy, %)	Q1	1,2	1	1,2*
	11 : 00	EZ	GDP (second estimate, qoq, %)	Q1	0,4	0	0,4*
	14 : 00	RO	Interest rate decision (%)	May	2,5	2,5	2,5
	14 : 30	US	New York Fed Manufacturing index (points)	May	17,8	8,5	10,1
	14 : 30	US	Retail sales (mom, %)	Apr	-0,2	0,2	1,6
15 : 15	US	Industrial production (mom, %)	Apr	-0,5	0,0	-0,1	
16 : 00	US	Business inventories (mom, %)	Mar	0,0	0,0	0,3	
16.	14 : 30	US	Housing starts (annualized monthly, '000s)	Apr		1205	1139
	14 : 30	US	Building permits (annualized monthly, '000s)	Apr		1290	1288
	14 : 30	US	Continuing jobless claims ('000s)	weekly		1680	1684
	14 : 30	US	Initial jobless claims ('000s)	weekly		220	228
17.	11 : 00	EZ	CPI (final, yoy, %)	Apr		1,7	1,7*
	16 : 00	US	Leading index (mom, %)	Apr		0,2	0,4
	16 : 00	US	Michigan Consumer confidence (preliminary, points)	May		97,5	97,2

\*preliminary data

Sources: Reuters, OTP Research

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