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Daily Report

Summary

- Wednesday's trading was cheerful on the developed world's stock markets.
- The DAX hit all-time high; Germany's 10Y bond yield returned to positive territory.
- The UK House of Commons voted that Theresa May should seek an extension to Brexit deadline.

The progress made in Sino-American talks gave rise to optimism on developed stock markets on Wednesday. Risk appetite in the eurozone was boosted by the final reading of Markit purchasing managers' indices, which overshoot the preliminary data. Europe's best performer, Germany's DAX grew by 1.7%, to close at all-time high. Rising by six basis points, Germany's 10Y yield arrived into positive territory (+0.01%).

The EU was quick to react to the idea of extending Brexit deadline until 22 May. Rejecting a short Brexit extension, Jean-Claude Juncker indicated the UK had to sign up for a long delay, and with proper reasoning. On Wednesday afternoon Jeremy Corbyn and Theresa May discussed the future of Brexit, with both parties calling the talks constructive, but they did not go into details. In a tight vote of 313-312, the House of Commons passed the bill to urge Theresa May to seek an extension to the 12 April departure date. Now it needs to pass the House of Lords. The 10Y bond yield rose by nine basis points (+1.1%). The pound slightly dropped against the euro.

The key indices of the USA closed with gains. What leaked out from Sino-American trade talks is that China may be given time until 2025 to meet its commitments on commodity purchases and to fulfill pledges to allow American-owned companies to wholly own Chinese enterprises. ADP's employment data cast a light shadow on yesterday's trading, as its increase undershot expectations, boding ill for Friday's official release. Disappointingly, the ISM non-manufacturing PMI sank to a 20-month low of 56.1 - but it is still far above the mark that signifies recession. The 10Y bond yield upped four basis points (+2.52%). The EUR/USD edged higher.

Having hit a record high on Tuesday, the BUX edged down by the end of Wednesday, to close minimally lower. The winners of the day came from small-cap shares, while blue chips closed mixed. The forint's firming pushed the EUR/HUF below 320.

The secondary market of Hungarian government bonds barely moved yesterday. Today the ÁKK will sell a total of HUF 40 bn in 12M discount Treasury bills and 5Y bonds. Hungary is to launch in June new government securities for retail clients, offering attractive yields, the Ministry of Finance said yesterday.

Brent and WTI edged lower. The prices of the key industrial metals grew yesterday.

Asia's key indices closed mixed this morning. The yen appreciated versus the US dollar. This morning Germany published discouraging factory orders data: the February figure reflects a continued sharp fall whereas analysts had expected a modest pick up from January's month/month drop.

The minutes of the ECB's March meeting will be out today. The USA is to release jobless claims data.

	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	2873,4	0,2	14,6	VIX	13,7	2,8	-46	WTI	62,4	-0,3	37,4
	DOW	26218,1	0,1	12,4	US 2Y	2,33	2,5	-17	Brent	69,31	-0,1	28,8
	Nasdaq100	7545,0	0,6	19,2	US 10Y	2,52	3,8	-17	Gold	1289,7	-0,2	0,5
	DAX	11954,4	1,7	13,2	GER 2Y	-0,58	2,1	1	Silver	15,14	0,1	-2,2
	CAC40	5468,9	0,8	15,6	GER 10Y	0,00	4,8	-25	EUR/USD	1,1234	0,3	-2,0
	FTSE 100	7418,3	0,4	10,3	PT10Y	1,28	1,9	-44	EUR/GBP	0,8532	0,0	-5,0
	FTSE MIB	21755,9	1,1	18,7	IT 10Y	2,55	1,5	-23	EUR/NOK	9,6304	-0,1	-2,8
	Stoxx600	388,9	1,0	15,2	SP 10	1,15	2,5	-28	USD/CAD	1,3343	0,0	-2,2
	- Banks	121,9	2,1	7,9	iTRAXX	60,9	-2,6	-30,8	AUD/USD	0,7112	0,6	0,9
	Nikkei 225	21710,0	0,0	8,5	JPY 2Y	-0,15	0,0	-2	USD/JPY	111,47	0,1	1,7
	SSEC	3237,9	0,7	29,8	JPY 10Y	-0,04	1,1	-4	GBP/USD	1,3159	0,2	3,2
Regional	RTS	1224,4	0,7	14,8	RUS10	8,4	-0,2	-4	USD/RUB	65,226	-0,1	-6,4
	WIG20	2407,63	1,5	5,8	POL 10	2,9	1,1	2	EUR/PLN	4,29	-0,2	0,0
	PX50	1086,7	0,5	10,1	CZ10	1,9	0,6	-4	EUR/RON	4,752	-0,1	2,2
Hungary	BUX	42194	0,0	7,8	3M DKJ	0,01	-6,8	-6	EUR/HUF	319,61	-0,5	-0,4
	OTP	12890	0,2	14,2	1Y	0,28	0,0	-17	USD/HUF	284,50	-0,7	1,7
	MOL	3298	-0,4	7,1	3Y	1,32	0,1	6	CHF/HUF	285,77	-0,6	0,1
	MTelekom	463	-0,4	5,1	5Y	2,02	0,0	-51	PLN/HUF	74,61	-0,2	0,0
	Richter	5430	0,1	0,0	10Y	3,04	1,0	0	GBP/HUF	374,88	0,1	5,2

* 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 4. 1.	2 : 30	JP Nikkei Manufacturing PMI (points)	Mar	49,2	-	48,9
	9 : 00	HU Manufacturing PMI (points)	Mar	52,4	-	55,5
	9 : 00	HU Trade balance (detailed, monthly, EUR mn)	Jan	392	-	382*
	9 : 00	HU Balance of general government sector (GDP %)	Q4	-5,8	-	-0,4
	11 : 00	EZ CPI (flash, yoy, %)	Mar	1,4	1,5	1,5
	11 : 00	EZ Core CPI (flash, yoy, %)	Mar	0,8	1,0	1,0
	14 : 30	US Retail sales (mom, %)	Feb	-0,2	0,3	0,7
	16 : 00	US ISM Manufacturing PMI (points)	Mar	55	55	54,2
	16 : 00	US Construction expenditure (mom, %)	Feb	1,0	0,4	2,5
	16 : 00	US Business inventories (mom, %)	Jan	0,8	0,3	0,8
2.	11 : 00	EZ Unemployment rate (%)	Feb	7,8	7,8	7,8
	14 : 00	RO Interest rate decision (%)	Apr	2,5	2,5	2,5
	14 : 30	US Durable goods orders (mom, %)	Feb	-1,6	-1,8	0,2
	21 : 30	US Vehicle sales (annualized monthly, million)	Mar		17	16,6
3.	9 : 00	TR Inflation (yoy, %)	Mar	19,7	19,6	19,7
	9 : 00	HU Retail sales (first estimate, yoy, %)	Feb	8,4	-	5,4
	11 : 00	EZ Retail sales (mom, %)	Feb	0,4	0,2	1,3
	14 : 00	PL Interest rate decision (%)	Apr	1,5	1,5	1,5
	14 : 15	US ADP non-farm employment (mom, '000s)	Mar	129,0	170	183
	16 : 00	US ISM non-Manufacturing PMI (points)	Mar	56	58	59,7
4.	8 : 00	DE Industrial orders (mom, %)	Feb	-4,2	0,3	-2,6
	12 : 30	EZ ECB Minutes	Mar		-	-
	14 : 30	US Continuing jobless claims ('000s)	weekly		1750	1756
	14 : 30	US Initial jobless claims ('000s)	weekly		216	211
5.	8 : 00	DE Industrial production (mom, %)	Feb		0,5	-0,8
	9 : 00	HU Industrial production (preliminary, yoy, %)	Feb		-	4,4
	10 : 00	HU International reserves (preliminary, EURbn)	Mar		-	26,3
	14 : 30	US Unemployment rate (%)	Mar		3,8	3,8
	14 : 30	US Average earnings (yoy, %)	Mar		3,4	3,4
	14 : 30	US Average earnings (mom, %)	Mar		0,3	0,4
	14 : 30	US Non-farm payroll (mom, '000s)	Mar		180	20

*preliminary data

Sources: Reuters, OTP Research

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