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Daily Report

Summary

- The better-than-expected employment data benefited US stock markets on Friday.
- Europe's stock markets made small gains, the CEE region's indices closed mixed.
- The increase in oil prices continued while precious metals barely moved.
- Germany's February foreign trade data fell sharper than thought.

The better-than-expected labour market data for March helped America's stock markets rise on Friday. Exceeding the forecast 177,000 growth, non-farm payrolls jumped by 196,000, and the unemployment rate remained at its lowest in almost half a century. Encouragingly, the pale February figure was revised higher – the move brought that month's increase to 33,000, up from the earlier estimate of 20,000. The S&P and the Nasdaq100 gained 0.5% each, the Dow added 0.2%, and the Russell2000 mid-cap index closed 1.0% higher. Within the S&P, the energy and the utilities sectors were the strongest performers. WTI climbed 1.6% higher, beyond 63 USD/barrel, and Brent added 1.4% to exceed USD 70; these up moves translate into 40% (WTI) and 30% (Brent) year-to-date gains, respectively. Despite the favourable labour market data, the USD barely moved, the Bloomberg Dollar Spot Index edged 0.2% higher, while the EUR/USD made just subtle moves. The US long-term yields sank two basis points. Gold practically stagnated, and industrial metal prices inched down on Friday.

Europe's benchmark indices closed with tiny gains on Friday: the Stoxx600 nudged 0.1% higher, the DAX upped 0.2%, and the FTSE advanced 0.6%. Europe's producers benefited from the rising oil prices: BP and Royal Dutch Shell marched 1.6% and 1.5% higher, respectively. Europe's telecommunications sector subsided, as did banking shares. Difficulties emerged about Deutsche Bank's and Commerzbank's planned merger; the European Central Bank is to oblige Deutsche Bank to raise its capital before the deal. The news sent Commerzbank's share price 1.7% higher, while DB dropped 1.2%.

On Friday Prime Minister Theresa May requested Brussels 'flexextension', a flexible extension to Brexit deadline until 30 June. On Saturday she warned MPs of the dangers of non-departure. The European Council's Wednesday meeting may discuss Brexit issues, while Mrs May tries to win the Labour Party's backing for her Brexit agreement. On Friday the pound weakened 0.3%, and the UK 10Y bond yield rose by three basis points.

The CEE region's stock markets ended mixed, with Prague's PX edging 0.1% higher, and Warsaw's WIG20 losing 1.6%. The BUX shed less than 0.1% as OTP added 0.3%, MTelekom gained 1.1%, while Mol and Richter slipped. On the secondary market of Hungarian government bonds, yields nudged one or two basis points higher. Norway's pension fund is planning to reduce the share of bonds in its portfolio, and sell government and corporate bonds of ten emerging countries, including USD 63 mn worth of Hungarian bonds.

The forint's weakening pushed the EUR/HUF 0.3%-higher, to go beyond 321. Likewise, the USD/HUF ended the day at 286.

In today's trading, Asia opened on a weak note. Except for Hong Kong's Hang Seng, most stock indices were seen in negative territory. Oil prices marched higher, as the Libya conflict adds to fears that supply would subside, and it appears to have beaten the effect of a potential increase in supply as suggested by the continued increase in the number of active US oil fields.

Germany's foreign trade data, released this morning, signify a greater-than-expected contraction: exports fell by 1.3% month/month, while the January gauge was revised higher.

US factory orders statistics are due out today. Hungary will publish budget data for March. Later in the week, the ECB's rate decision, US inflation data, the minutes of the Fed's latest meeting, as well as the European Council's meeting are worth checking. Hungary will release inflation statistics on Tuesday. On Friday, JPMorgan and Wells Fargo's reports will kick off the Q1 earnings reports season in the USA; the overall gauge for the S&P500 companies may indicate loss for the first time in many years.

	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	2892,7	0,5	15,4	VIX	12,8	-5,6	-50	WTI	63,1	1,6	38,9
	DOW	26425,0	0,2	13,3	US 2Y	2,34	0,4	-16	Brent	70,34	1,4	30,7
	Nasdaq100	7578,8	0,5	19,7	US 10Y	2,50	-1,1	-19	Gold	1291,3	-0,1	0,7
	DAX	12009,8	0,2	13,7	GER 2Y	-0,57	0,9	2	Silver	15,08	-0,4	-2,6
	CAC40	5476,2	0,2	15,8	GER 10Y	0,00	0,9	-24	EUR/USD	1,1214	-0,1	-2,2
	FTSE 100	7446,9	0,6	10,7	PT10Y	1,26	-2,3	-46	EUR/GBP	0,8602	0,2	-4,3
	FTSE MIB	21758,6	0,2	18,7	IT 10Y	2,47	-3,7	-30	EUR/NOK	9,6580	0,1	-2,5
	Stoxx600	388,2	0,1	15,0	SP 10	1,11	-0,2	-31	USD/CAD	1,3382	0,2	-1,9
	- Banks	121,5	-0,4	7,5	iTRAXX	60,1	-2,3	-31,7	AUD/USD	0,7105	-0,1	0,8
	Nikkei 225	21766,6	-0,1	8,8	JPY 2Y	-0,16	-0,5	-2	USD/JPY	111,73	0,1	2,0
SSEC	3219,4	-0,8	29,1	JPY 10Y	-0,05	-1,4	-5	GBP/USD	1,3036	-0,3	2,2	
Regional	RTS	1225,8	0,5	15,0	RUS10	8,4	-0,5	-4	USD/RUB	65,285	-0,2	-6,3
	WIG20	2351,08	-1,6	3,3	POL 10	2,9	0,6	3	EUR/PLN	4,29	0,1	0,0
	PX50	1086,1	0,1	10,1	CZ10	1,9	0,8	-4	EUR/RON	4,749	0,1	2,1
Hungary	BUX	41842	-0,1	6,9	3MDKJ	0,09	5,2	2	EUR/HUF	320,97	0,3	0,0
	OTP	12720	0,3	12,7	1Y	0,28	0,0	-17	USD/HUF	286,08	0,4	2,3
	MOL	3230	-0,8	4,9	3Y	1,37	3,9	12	CHF/HUF	286,43	0,4	0,4
	MTelekom	469	1,1	6,6	5Y	2,07	2,0	-46	PLN/HUF	74,87	0,4	0,4
	Richter	5460	-0,5	0,6	10Y	3,09	2,0	5	GBP/HUF	373,07	0,0	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 4. 8. 8 : 00	DE	Export (mom, %)	Feb	-1,3	-0,5	0,0
9 : 00	HU	Trade balance (preliminary, monthly, EUR mn)	Feb		600	392
10 : 30	EZ	Sentix Investor confidence (points)	Apr		-2,0	-2,2
11 : 00	HU	Fiscal balance (monthly, billion HUF)	Mar		-	-177,2
16 : 00	US	Factory orders (mom, %)	Feb		-0,6	0,1
9. 9 : 00	HU	Inflation (yoy, %)	Mar		3,4	3,1
9 : 00	HU	Core inflation (yoy, %)	Mar		3,6	3,5
10. 10 : 30	UK	Industrial production (mom, %)	Feb		0,1	0,6
13 : 45	EZ	Interest rate decision (deposit rate, %)	Apr		0,0	0,0
13 : 45	EZ	Interest rate decision (lending rate, %)	Apr		-0,4	-0,4
14 : 30	US	CPI (yoy, %)	Mar		1,8	1,5
14 : 30	US	CPI (mom, SA, %)	Mar		0,3	0,2
14 : 30	US	core-CPI (yoy, %)	Mar		2,1	2,1
14 : 30	US	core-CPI (mom, SA, %)	Mar		0,2	0,1
20 : 00	US	Federal budget balance (USDbn)	Mar		-220	-234
20 : 00	US	FOMC Minutes	Mar		-	-
11. 14 : 30	US	Continuing jobless claims ('000s)	weekly		-	1717
14 : 30	US	Initial jobless claims ('000s)	weekly		211	202
0 : 0	0	OPEC Meeting	-		-	-
12. 9 : 00	HU	Industrial production (second estimate, yoy, %)	Feb		-	*
11 : 00	EZ	Industrial production (mom, %)	Feb		-0,6	1,4
16 : 00	US	Michigan Consumer confidence (preliminary, points)	Apr		97,5	98,4
		IMF - World Bank Semiannual Spring Summit (2 days)	-	-	-	-

*preliminary data

Sources: Reuters, OTP Research

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