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# Daily Report

### 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. Amidst favourable international environment the BUX gained 0.4%. Among Hungarian blue chips, OTP rose by 0.9%, the Hungarian Telekom by 0.6% and Mol by 0.1% while the Richter lost 0.5%.

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. The Hungarian forint also rose 0.3% against the European common currency. 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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