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Daily Report

Summary

- Optimism ruled the developed world's stock markets on Tuesday.
- Apple and Qualcomm settled their lawsuits.
- JP Morgan raised its target price on Richter.

Optimism ruled the developed world's stock markets on Tuesday, when indices were mostly driven by corporate earnings reports. News on the larger-than-expected loss in Lufthansa's Q1 flash report dragged down the airline's share price, but it recovered by the close. The rather mixed quarterly figures of Johnson & Johnson, Black Rock, and Bank of America benefited their respective share prices. In contrast, United Health Group fell 4%, wiping off the morning's gains. After market close, IBM and Netflix published weaker-than-expected data, which sent their share prices falling in after-hours trading.

Ending a multi-year legal dispute, Apple and Qualcomm buried the hatchet. The tech giants agreed to end all ongoing lawsuits, and to ink a supplier agreement under which Apple will pay patent licensing fee to Qualcomm. The announcement sent both share prices higher, particularly that of the latter, which jumped more 20%, while Apple's share price closed flat.

The BUX's tiny uptick ranked it in the middle of the CEE region's table. Richter was the only Hungarian blue chip to edged higher, benefiting from JP Morgan's move to upgrade its recommendation from Neutral to Overweight, while raising the target price to HUF 6,410; taking into account yesterday's 2.9% increase, this is 10% above the closing price.

In Tuesday's auction of 3M discount treasury bills, the ÁKK sold the amount on offer (HUF 20 billion), at an average yield of 0.0%; the bid/cover ratio exceeded 2.0. On the secondary market, government bond yields sank by 3-6 basis points. The forint firmed against the key currencies; accordingly, the EUR/HUF closed below 320.

The dollar's firming in the afternoon pushed the EUR/USD 0.2% lower, to 1.13. The US 10Y yield rose by three basis points, to 2.59%, while that of Germany inched up one basis point, to 0.07%. Crude oil price crawled higher, while gold fell.

The optimism seen in America persisted in today's Asian trading, where the key indices achieved gains. This morning China announced 6.4% year/year GDP growth in the first quarter, slightly overshooting economists' forecast of 6.3%. Separately, the March gauges of China's industrial production and retail sales statistics have also beaten analysts' expectations.

Today's highlights include the March reading of UK inflation, and the release of Fed's latest Beige Book. As the earnings reports season continues, the figures of Morgan Stanley, Alcoa, and Pepsi will see the light of day 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	2907,1	0,1	16,0	VIX	12,2	-1,1	-52	WTI	64,3	1,5	41,7
	DOW	26452,7	0,3	13,4	US 2Y	2,42	2,4	-8	Brent	71,72	0,8	33,3
	Nasdaq100	7654,7	0,3	20,9	US 10Y	2,59	4,1	-10	Gold	1276,2	-0,9	-0,5
	DAX	12101,3	0,7	14,6	GER 2Y	-0,58	0,1	1	Silver	14,97	-0,2	-3,3
	CAC40	5528,7	0,4	16,9	GER 10Y	0,06	0,9	-18	EUR/USD	1,1280	-0,2	-1,6
	FTSE 100	7469,9	0,4	11,0	PT10Y	1,21	1,4	-51	EUR/GBP	0,8643	0,1	-3,8
	FTSE MIB	21918,9	0,1	19,6	IT 10Y	2,60	2,8	-18	EUR/NOK	9,5847	-0,2	-3,2
	Stoxx600	389,2	0,3	15,3	SP 10	1,09	-0,1	-34	USD/CAD	1,3349	-0,1	-2,1
	- Banks	127,0	0,8	12,4	iTRAXX	58,0	0,3	-34,1	AUD/USD	0,7175	0,0	1,8
	Nikkei 225	22278,0	0,3	11,3	JPY 2Y	-0,14	0,9	-1	USD/JPY	111,99	0,0	2,2
	SSEC	3273,5	0,6	31,3	JPY 10Y	-0,01	1,3	-1	GBP/USD	1,3048	-0,4	2,3
Regional	RTS	1255,5	0,7	17,8	RUS10	8,3	0,1	-5	USD/RUB	64,081	-0,3	-8,0
	WIG20	2372,18	0,6	4,2	POL 10	2,9	-0,7	1	EUR/PLN	4,27	0,0	-0,4
	PX50	1095,9	-0,6	11,1	CZ10	1,9	-0,9	-4	EUR/RON	4,759	0,0	2,3
Hungary	BUX	42826	0,0	9,4	3M DKJ	0,02	-7,2	-5	EUR/HUF	319,58	-0,2	-0,4
	OTP	13080	-1,1	15,9	1Y	0,27	0,0	-18	USD/HUF	283,21	0,0	1,2
	MOL	3286	-0,4	6,8	3Y	1,43	-3,3	18	CHF/HUF	281,16	-0,4	-1,5
	MTelekom	463	-1,0	5,2	5Y	2,19	-6,0	-34	PLN/HUF	74,81	-0,2	0,3
	Richter	5695	2,9	4,9	10Y	3,28	-4,0	24	GBP/HUF	369,61	-0,4	3,8

* 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. 15. 9 : 00	HU	Construction output (yoy, %)	Feb	48,0	-	29,1
14 : 30	US	New York Fed Manufacturing index (points)	Apr	10,1	6,7	3,7
16. 11 : 00	DE	ZEW Economic Sentiment (points)	Apr	3,1	0,8	-3,6
15 : 15	US	Industrial production (mom, %)	Mar	-0,1	0,2	0,1
17. 4 : 00	CN	GDP (yoy, %)	Q1	6,4	6,3	6,4
4 : 00	CN	GDP (qoq, %, SA)	Q1	1,4	1,4	1,5
4 : 00	CN	Infrastructural spending (yoy, %)	Mar	6,3	6,3	6,1
4 : 00	CN	Industrial production (yoy, %)	Mar	8,5	5,9	5,3
4 : 00	CN	Retail sales (yoy, %)	Mar	8,7	8,4	8,2
10 : 30	UK	Inflation (yoy, %)	Mar		2,0	1,9
10 : 30	UK	Core inflation (yoy, %)	Mar		1,9	1,8
11 : 00	EZ	CPI (final, yoy, %)	Mar		1,4	1,4*
20 : 00	US	Beige Book	Apr		-	-
18. 9 : 15	FR	Markit Manufacturing PMI (points)	Apr		50,0	49,7
9 : 15	FR	Markit Service PMI (points)	Apr		49,8	49,1
9 : 30	DE	Markit Manufacturing PMI (points)	Apr		45,0	44,1
9 : 30	DE	Markit Service PMI (points)	Apr		55,1	55,4
10 : 00	EZ	Markit Manufacturing PMI (points)	Apr		47,9	47,5
10 : 00	EZ	Markit Service PMI (points)	Apr		53,2	53,3
14 : 30	US	Retail sales (mom, %)	Mar		0,9	-0,2
14 : 30	US	Continuing jobless claims ('000s)	weekly		1720	1713
14 : 30	US	Initial jobless claims ('000s)	weekly		205	196
15 : 45	US	Markit Manufacturing PMI (points)	Apr		52,8	52,4
15 : 45	US	Markit Service PMI (points)	Apr		55,0	55,3
16 : 00	US	Business inventories (mom, %)	Feb		0,4	0,8
16 : 00	US	Leading index (mom, %)	Mar		0,4	0,2
19. 1 : 30	JP	CPI (yoy, %)	Mar			0,2
1 : 30	JP	core-CPI (yoy, %)	Mar		0,7	0,7
14 : 30	US	Housing starts (annualized monthly, '000s)	Mar		1230	1162
14 : 30	US	Building permits (annualized monthly, '000s)	Mar		1300	1291

*preliminary data

Sources: Reuters, OTP Research

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