

Treasury Sales Team

Head of Sales

Ottó Demjén

+36 1 288 7558

Otto.Demjen@otpbank.hu

Retail

Zsigmond Csillag

+36 1 288 7556

zsigmond.csillag@otpbank.hu

Attila Keresztyén

+36 1 288 7552

KeresztyenA@otpbank.hu

István Milán Nagy

+36 1 288 7554

milan.nagy@otpbank.hu

Frigyes Soós

+36 1 288 7571

SoosF@otpbank.hu

Pál András Saághy

+36 1 288 7553

Pal.Andras.Saaghy@otpbank.hu

Institutional

Lóránt Fábrián

+36 1 288 7572

Lorant.Fabian@otpbank.hu

Szilvia Lovas

+36 1 288 7545

LovasSz@otpbank.hu

János Mladoniczki

+36 1 288 7551

MladoniczkiJ@otpbank.hu

Corporate

Nóra Ilona Gordos

+36 1 288 7549

Nora.Ilona.Gordos@otpbank.hu

János Imrei

+36 1 288 7555

janos.imrei@otpbank.hu

Csinszka Kis-Böndi

+36 1 288 7544

Kis-bondics@otpbank.hu

Roxána Kosztelnik

+36 1 288 7541

roxana.kosztelnik@otpbank.hu

Edit Kovács Gyimóti

+36 1 288 7542

KovacsGyE@otpbank.hu



Daily Report

Summary

- The earnings reports season continued; the developed world's stock markets closed mixed yesterday.
- Germany's Finance Ministry expects 0.5% GDP growth in 2019.
- The USA-China trade war may end with an agreement in June.
- Hungary's BUX closed at all-time high.

In the midst of the earnings season, the developed world's equity markets ended mixed yesterday. While Europe's major indices could climb higher, the Nasdaq100 was the only one in America to make it into positive territory. In the USA, the loser of the day was the health care sector, as decision-makers are considering an extension to the Medicare, a federally run health insurance scheme, to cover all Americans, which plan would meaningfully change the position of private service providers.

Reducing its forecast, Germany's Finance Ministry now expects 0.5% GDP growth in 2019, chiefly because of the subdued performance of the manufacturing industry.

The USA and China may sign the trade agreement by early June the latest, American media sources said. The deal is to be finalized after the round of negotiations that begins on 29 April, the Wall Street Journal reported, citing sources. Meanwhile the EU is considering tariffs on American products worth USD 20 bn, for the illegal US subsidies to Boeing. This may be a countermeasure to the USA's threat to impose USD 11 bn tariff on goods from the EU, for similar subsidies to Airbus, which America finds equally harmful.

The Fed's Beige Book, published on Wednesday, reveals that the US economy has risen at a 'slight-to-moderate' pace since the beginning of March. Economic activity was favourable in most of the 12 districts, but the labour market remained tight.

On the secondary market of Hungarian government bonds, yields upped by two to three basis points. Today the ÁKK will put up for sale HUF 40 bn government debt in 12M zero-coupon treasury bills and 5Y bonds.

Rising 0.4% was enough for the BUX to hit record high. Richter was the only blue chip to crawl higher throughout the day, while OTP picked up before the close, to end in positive territory.

The forint's continued firming sent the EUR/HUF near the 319 mark. In the EUR/USD, the European currency's mini-recovery on Wednesday helped work off Tuesday's losses.

Asia's key indices closed in the red this morning; the weakest of them, Japan's Nikkei225 fell 0.8%. The yen firmed against the USD during Asian trading session.

Today the Markit indices for the eurozone and the USA are worth keeping an eye on. The purchasing managers' indices for April are expected to paint a rosier picture on the prospects for manufacturing than the March data did.

| | 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 | 2900,5 | -0,2 | 15,7 | VIX | 12,6 | 3,4 | -50 | WTI | 63,7 | -0,5 | 40,4 |
| | DOW | 26449,5 | 0,0 | 13,4 | US 2Y | 2,40 | -1,4 | -10 | Brent | 71,62 | -0,1 | 33,1 |
| | Nasdaq100 | 7680,7 | 0,3 | 21,3 | US 10Y | 2,59 | -0,2 | -10 | Gold | 1273,7 | -0,2 | -0,7 |
| | DAX | 12153,1 | 0,4 | 15,1 | GER 2Y | -0,59 | -0,6 | 0 | Silver | 15,00 | 0,2 | -3,1 |
| | CAC40 | 5563,1 | 0,6 | 17,6 | GER 10Y | 0,08 | 2,0 | -16 | EUR/USD | 1,1294 | 0,1 | -1,5 |
| | FTSE 100 | 7471,3 | 0,0 | 11,0 | PT10Y | 1,21 | 0,1 | -51 | EUR/GBP | 0,8657 | 0,2 | -3,6 |
| | FTSE MIB | 22000,9 | 0,4 | 20,1 | IT 10Y | 2,62 | 2,0 | -16 | EUR/NOK | 9,5976 | 0,1 | -3,1 |
| | Stoxx600 | 389,6 | 0,1 | 15,4 | SP 10 | 1,11 | 2,7 | -31 | USD/CAD | 1,3338 | -0,1 | -2,2 |
| | - Banks | 128,0 | 0,7 | 13,2 | iTRAXX | 57,6 | -0,7 | -34,6 | AUD/USD | 0,7178 | 0,0 | 1,8 |
| | Nikkei 225 | 22078,5 | -0,9 | 10,3 | JPY 2Y | -0,16 | -1,1 | -2 | USD/JPY | 112,05 | 0,1 | 2,3 |
| | SSEC | 3259,4 | -0,1 | 30,7 | JPY 10Y | -0,03 | -2,0 | -3 | GBP/USD | 1,3043 | 0,0 | 2,2 |
| Regional | RTS | 1265,5 | 0,8 | 18,7 | RUS10 | 8,2 | -0,1 | -6 | USD/RUB | 63,802 | -0,4 | -8,4 |
| | WIG20 | 2378,31 | 0,3 | 4,5 | POL 10 | 2,9 | 0,5 | 1 | EUR/PLN | 4,27 | -0,1 | -0,5 |
| | PX50 | 1097,0 | 0,1 | 11,2 | CZ10 | 1,9 | 0,3 | -4 | EUR/RON | 4,761 | 0,1 | 2,4 |
| Hungary | BUX | 43005 | 0,4 | 9,9 | 3M DKJ | 0,09 | 7,2 | 2 | EUR/HUF | 319,05 | -0,2 | -0,6 |
| | OTP | 13120 | 0,3 | 16,2 | 1Y | 0,27 | 0,0 | -18 | USD/HUF | 282,39 | -0,3 | 1,0 |
| | MOL | 3286 | 0,0 | 6,8 | 3Y | 1,42 | -0,8 | 17 | CHF/HUF | 280,03 | -0,4 | -1,9 |
| | MTelekom | 460 | -0,6 | 4,5 | 5Y | 2,22 | 3,0 | -31 | PLN/HUF | 74,77 | -0,1 | 0,2 |
| | Richter | 5795 | 1,8 | 6,7 | 10Y | 3,30 | 2,0 | 26 | GBP/HUF | 368,72 | -0,2 | 3,5 |

* 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 | 1,9 | 2,0 | 1,9 |
| 10 : 30 | UK | Core inflation (yoy, %) | Mar | 1,8 | 1,9 | 1,8 |
| 11 : 00 | EZ | CPI (final, yoy, %) | Mar | 1,4 | 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

Chief Economist
Gergely Tardos
tardosg@otpbank.hu
+36 1 374 7273

Analyst
Beáta Váradi
varadibe@otpbank.hu
+36 1 374 7271

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