

Treasury Sales Team

Headquarter Treasury Sales

Alexandru Tibuleac
0372 31 85 85
alexandru.tibuleac@otpbank.ro

Cristian Ilie
0372 31 85 86
ilie.cristian@otpbank.ro

Corina Bejan
0372 31 85 84
corina.bejan@otpbank.ro

Andreea Nica
0755 000 106
andreea.nica@otpbank.ro

Regional Treasury Sales

Szilamer Kozma - Cluj
0755 000 400
szilamer.kozma@otpbank.ro

Tudor Zaman - Bucuresti
0755 000 199
tudor.zaman@otpbank.ro

Alexandru Sabin - Arad
0730 577 959
alexandru.sabin@otpbank.ro



Global Daily Report

Summary

- Stock markets ground higher on Tuesday.
- Crude prices dropped further; investors expect America's shale oil production to increase. Copper price upped due to strikes in Chile.
- The USD started to appreciate.
- Germany's industrial production fell sharply in December.

Tuesday's trading opened indecisively but ended on a positive note. Most of Europe's and America's stock indices closed with gains; the BUX's 0.5% rally outperformed Europe. In the morning, investors were digesting Monday's manifesto of the chief adviser to Marine Le Pen, France's EU-sceptic presidential candidate, which envisaged leaving the EU and the eurozone, and public spending financed by printing money. Moreover, Germany's December gauge of industrial production was a far cry from forecasts. But later in the day markets became more optimistic, and the expected fiscal expansion came to the fore in America again.

Toyota's earnings figures, published yesterday, give account of worsening profit owing to the strong yen and rising production costs but its sales forecasts are cheering; investors focussed on the shortcomings, sending the share price more than 2% down. General Motors also plunged (almost 5%): although its sales are also on the rise, GM's operating and net profits lagged behind those of 2015. BNP Paribas sank 5% as its profit missed analysts' expectations. The loser of the day, Michael Kors, shrank 15% as investors interpreted its lower profit forecast for 2016 as a sign that it may take longer for the fashion company to recover.

Oil prices slipped on Tuesday too. The Brent fell nearly 2%, to less than 55 USD/barrel, mainly because markets expect America's shale oil production to surge dynamically. Last Friday's data by Baker Hughes suggest that the US will accelerate opening oil rigs, and the 729 rigs launched in the first week of February marks a 15-month record. Copper futures ground higher, after BHP Billiton workers had gone on strike at the biggest copper mine in Chile for an indefinite period.

Germany's 10Y yield has sunk a total of 10 points since early February, but the decline stopped on Monday. France's 10Y yield dropped four points, wiping off the increase triggered by the statement of Marine Le Pen's advisor on Monday. The yields of the eurozone periphery countries also came down.

The USD's firming sent the EUR/USD below 1.07 again.

Macro statistics were scarce on Tuesday. US International Trade deficit in December was bigger than forecast, even though exports hit an 18-month high. Trade deficit in the whole of 2016 amounted to 2.7% of GDP, marginally less than the 2.8% seen in 2015. Germany's industrial output shrank by 3% month/month in December 2016, vastly undershooting expectations; suggesting that the GDP data to be published on Tuesday may be pale. Today's rate decision of the Polish central bank is expected to keep rates on hold. At the end of the day, the EIA will publish its usual weekly oil inventory statistics, which may be given special attention after the recent days' fall in crude prices.

	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	2293,1	0,0	2,4	VIX	11,3	-0,7	-20	WTI	52,17	-1,6	-3
	DOW	20090,3	0,2	1,7	US 2Y	1,17	1,2	-3	Brent	55,05	-1,2	-3
	Nasdaq100	5185,9	0,3	6,6	US 10Y	2,39	-2,4	-4	Gold	1233,6	-0,1	7
	DAX	11549,4	0,3	0,6	GER 2Y	-0,77	-0,5	2	Silver	17,71	-0,1	11
	CAC40	4754,5	-0,5	-2,2	GER 10Y	0,36	-0,9	15	EUR/USD	1,0680	-0,6	1,6
	FTSE 100	7186,2	0,2	0,6	PT10Y	4,20	-3,5	44	EUR/GBP	0,8535	-1,0	0
	FTSE MIB	18662,6	-0,2	-3,0	IT 10Y	2,34	-4,2	51	EUR/NOK	8,8867	0,2	-2,2
	Stoxx600	362,7	0,3	0,4	SP 10	1,77	-1,2	38	USD/CAD	1,3181	0,8	-1,9
	- Banks	138,2	-1,3	3,0	iTRAXX	76,3	1,8	5	AUD/USD	0,7624	-0,4	5,7
	Nikkei 225	18910,8	-0,3	1,1	JPY 2Y	-0,21	1,1	-3	USD/JPY	112,37	0,6	-4
SSEC	3167,0	0,4	2,0	JPY 10Y	0,10	-0,4	5	GBP/USD	1,2510	0,3	1	
Regional	RTS	1179,2	0,1	2,3	RUS10	8,15	0,7	-3	USD/RUB	59,417	0,9	-3
	WIG20	2086,54	-0,1	7,1	POL 10	3,82	0,8	5	EUR/PLN	4,3033	0,2	-2,3
	PX50	947,3	0,6	2,8	CZ10	0,48	8,8	3	EUR/RON	4,4851	-0,3	-1,1
Hungary	BUX	32540	0,5	1,7	3M TB	0,16	0	0	EUR/HUF	308,91	-0,2	0,0
	OTP	8800	0,3	4,8	1Y	0,33	0	15	USD/HUF	289,10	0,4	-1,5
	MOL	20200	-0,5	-2,1	3Y	1,52	4	67	CHF/HUF	289,79	-0,3	0,7
	MTelekom	517	1,2	3,8	5Y	2,24	0	47	PLN/HUF	71,710	-0,5	2,4
	Richter	6249	1,4	0,6	10Y	3,62	5	42	GBP/HUF	361,23	0,6	0

* In the case of bond yields, the change is in basispoint instead of percentage (VIX and ITRAXX not included).

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2017 2. 6.	8 : 00 DE	Industrial orders (mom, %)	Dec.	5,2	-	-2,5
	2 : 45 CZ	Retail sales (yoy, %)	Dec.	3,0	50,7	50,9
	10 : 30 EZ	Sentix Investor confidence (points)	Febr.	17,4	17,4	18,2
7.	8 : 00 DE	Industrial production (mom, %)	Dec.	-3,0	0,4	0,4
	9 : 00 HU	Industrial production (preliminary, yoy, %)	Dec.	-0,5	1,3	0,6
	11 : 00 HU	Fiscal balance (monthly, billion HUF)	Jan.	123,4	-	-907,6
	11 : 00 HU	International reserves (preliminary, EURbn)	Jan.		-	24,4
	13 : 00 RO	Interest rate decision (%)	Febr.	1,75	1,75	1,75
8.	11 : 00 EU	EC Winter Forecast	-		-	-
	13 : 00 PL	Interest rate decision (%)	Febr.			1,5
9.	8 : 00 DE	Conference of the EC and ECB (Sppech by Mario Draghi)	Dec.		-1,1	3,9
	9 : 00 HU	GDP (annualized, preliminary, yoy)	2017		-	878,0
	16 : 00 US	Wholesale inventories (revision, mom, %)	Dec.		1,0	0,7*
10.	3 : 00 CN	Import (yoy, %)	Jan.	4,5	-	3,1
	3 : 00 CN	Export (yoy, %)	Jan.		-	-6,1
	10 : 30 UK	Industrial production (mom, %)	Dec.		0,2	2,1
	16 : 00 US	Michigan Consumer confidence (preliminary, points)	Febr.		98,0	98,5
	20 : 00 US	Federal budget balance (USDbn)	Jan.		-	-28,0

*preliminary data

Source: Reuters, OTP Research

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

Analyst
Gábor Pellényi
pellenyig@otpbank.hu
+36 1 374 7276

Disclaimer

OTP Bank Plc. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This material is only for information purposes and it is not intended as an investment advice, an offer or solicitation for the purchase or sale of any financial instrument, and it does not constitute legal, tax or accounting advice.

Information herein reflects the market situation at the time of writing. It provides only momentary information and may change as market conditions and circumstances develop. Additional information may be available on request. Although the information in this document has been prepared in good faith from sources which OTP Bank believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. Opinions and estimates constitute our judgment and are subject to change without notice. OTP Bank may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments is made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. Any concrete individual decision or investment made based on this publication is the sole risk of the Client and OTP Bank shall not be held responsible for the success of the investment decisions or for attaining the Client's target.

Figures described herein refer to the past and past performance is not a reliable indicator of future results.

OTP Bank Plc. (registered seat: Nádor utca 16., Budapest H-1051, Hungary. Supervisory authority: Magyar Nemzeti Bank (National Bank of Hungary – H-1013 Budapest, Krisztina krt. 39.sz.) PSZÁF licence numbers: III/41.003-22/2002 and E-III/456/2008. For more information, please refer to: <https://www.otpbank.hu/portal/hu/Megtakaritas/Ertekpapir/MIFID>). All rights reserved. This publication is exclusively owned by OTP Bank Plc., no part of this material can be reproduced, re-used or disseminated without the prior written consent of OTP Bank Plc.

If you received this document from OTP Bank Plc, then it was sent to you with your previous consent. You may withdraw this permission by sending an e-mail to research@otpbank.hu or writing a letter addressed to "Research Center" Hungary 1051, Budapest Nádor utca. 21. Please refer to your name and e-mail address in both cases.

Disclaimer for OTP Bank Romania S.A. customers

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centred on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to csaba.balint@otpbank.ro or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.