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# Global Daily Report

**Summary**

- The US Treasury Secretary candidate promised the most meaningful tax reform, to be detailed in two or three weeks, since the Reagan administration. A Fed decision-maker expects only one rate hike this year.
- US stock market broke new records, and the USD's firming stopped yesterday.
- Crude prices nudged higher in Thursday's benign sentiment.

Donald Trump pledged to present the details of the 'big league' tax changes in two or three weeks, and his Treasury Secretary nominee Steve Mnuchin confirmed his words by suggesting that the most important comprehensive tax reform since Ronald Reagan is around the corner. During his campaign, the President promised lower corporate profit tax and smaller personal income tax – the latter is the federal budget's most important revenue source. Meanwhile James Bullard, member of the Fed Open Market Committee said he expected the Fed to raise interest rates only once this year, whereas analysts forecast an intensified tightening cycle in the second half of 2017. (His words were not trumped by another FOMC member Charles Evans' visualizing three hikes). These messages sent US stock indices to new highs, and stopped the USD's appreciation.

The benign sentiment benefited trading in Europe. Western Europe's indices headed higher but, unlike their US peers, they did not go to new peaks. This morning Asia's stock markets closed with gains, the Nikkei225 index rallied 2.5%.

China's exports and imports opened 2017 on a much stronger note than analysts had expected. That said, there are always major swings in the beginning-of-the-year data, because of the changing timing of the new year.

	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	2307,9	0,6	3,1	VIX	10,9	-5,0	-23	WTI	53,13	1,5	-1
	DOW	20172,4	0,6	2,1	US 2Y	1,19	2,8	-1	Brent	55,63	0,9	-2
	Nasdaq100	5212,2	0,3	7,2	US 10Y	2,40	4,6	-4	Gold	1230,5	-0,9	7
	DAX	11642,9	0,9	1,4	GER 2Y	-0,77	1,8	2	Silver	17,64	-0,8	11
	CAC40	4826,2	1,3	-0,7	GER 10Y	0,31	1,3	11	EUR/USD	1,0654	-0,4	1,3
	FTSE 100	7229,5	0,6	1,2	PT10Y	4,06	-5,8	30	EUR/GBP	0,8522	-0,1	0
	FTSE MIB	18947,4	0,9	-1,5	IT 10Y	2,18	-6,0	36	EUR/NOK	8,8818	-0,1	-2,2
	Stoxx600	366,8	0,8	1,5	SP 10	1,62	-7,7	23	USD/CAD	1,3143	0,0	-2,1
	- Banks	138,6	0,8	3,3	iTRAXX	73,7	-1,5	2	AUD/USD	0,7622	-0,3	5,6
	Nikkei 225	18907,7	-0,4	1,1	JPY 2Y	-0,21	-1,0	-4	USD/JPY	113,22	1,2	-3
SSEC	3194,9	0,4	2,9	JPY 10Y	0,09	0,2	4	GBP/USD	1,2494	-0,3	1	
Regional	RTS	1163,2	-0,1	0,9	RUS10	8,11	0,0	-3	USD/RUB	58,938	-0,4	-4
	WIG20	2132,4	2,3	9,5	POL 10	3,79	0,6	4	EUR/PLN	4,3103	0,1	-2,1
	PX50	953,5	-0,2	3,5	CZ10	0,49	-1,2	4	EUR/RON	4,4937	0,2	-0,9
Hungary	BUX	32949	1,1	3,0	3MTB	0,16	0	0	EUR/HUF	307,91	-0,2	-0,3
	OTP	8901	0,7	6,0	1Y	0,33	0	15	USD/HUF	289,01	0,2	-1,5
	MOL	20450	1,2	-0,9	3Y	1,49	-2	63	CHF/HUF	288,49	-0,6	0,2
	MTelekom	519	1,4	4,2	5Y	2,23	-2	46	PLN/HUF	71,400	-0,3	1,9
	Richter	6380	1,7	2,7	10Y	3,57	-6	37	GBP/HUF	361,09	-0,1	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
8.	11 : 00	HU	International reserves (final, EURbn)	Jan.	24,4	-	24,4
	13 : 00	RO	Interest rate decision (%)	Febr.	1,75	1,75	1,75
	13 : 00	PL	Interest rate decision (%)	-	1,5	1,5	1,5
9.	8 : 00	DE	Export (mom, %)	Dec.	-3,3	-1,1	3,9
	9 : 00	HU	Trade balance (preliminary, monthly, EURmn)	Dec.	556,0	663,0	878,0
	16 : 00	US	Wholesale inventories (revision, mom, %)	2017	1,0	1,0	1,0*
10.	3 : 00	CN	Import (yoy, %)	Jan.	16,7	10,0	3,1
	3 : 00	CN	Export (yoy, %)	Jan.	7,9	3,3	-6,1
	10 : 30	UK	Industrial production (mom, %)	Dec.		0,2	2,1
	16 : 00	US	Michigan Consumer confidence (preliminary, points)	Febr.		97,9	98,5
	20 : 00	US	Federal budget balance (USDbn)	Jan.		40,0	-28,0

\*prerliminary data

Source: Reuters, OTP Research

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