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Global Daily Report

Summary

- In Tuesday's reserved sentiment, global stock indices ended with slight losses
- Deutsche Bank announced an EUR 8 billion capital increase
- The Fed is increasingly likely to raise interest rates in March; the USD's firming went on
- Industrial metal prices are dropping again; copper fell 1.5%.

The week started on a weak note on the key stock markets of the world: the benchmark indices of Europe and America headed down on Monday. In Europe, the Stoxx600 closed 0.5% lower. Deutsche Bank announced a huge restructuring, including plans to increase capital by issuing shares worth EUR 8 billion, to sell part of the asset management business, and to integrate Postbank. Deutsche Bank's stocks tumbled nearly 8% at one point on Monday, but pared losses to 3.3% by the close. This made banks the losers of the day among the Stoxx600 sector indices; but commodity producers also slid. European car manufacturers' losses also exceeded that of the benchmark, but PSA's share price advanced nearly 3% on the back of news that it buys Opel from GM for EUR 2.2 billion, in a deal that will make it Europe's second largest auto maker. In one of the strongest performances on Monday, Scotland's largest insurance company Standard Life surged 5.7%, after announcing the purchase of Aberdeen Asset Management. The latter company soared 4.2%.

In Monday's sour sentiment America's blue chips shrank 0.2%, the S&P was 0.3% down, and the Dow closed below the 21,000 mark again. At the end of trading, the sentiment eased when President Trump issued a new travel ban directive, but that was not enough to lift indices into positive territory. The S&P's weakest links were financial service providers and basic resources companies; the consumer staples sector also underperformed. Only the energy sector could increase, despite the slip in crude prices. The stock price of Snap dived more than 11% on Monday, but its USD 24 share price is still 41% above the issue price seen last week.

In Asia, the geopolitical tension in Japan is still leaving its mark on trading. A possible deterioration in China's growth prospects may drag down commodity prices; the annual meeting of China's National Congress is held in Beijing. Asia closed mixed, on thin volumes: Japan's Nikkei weakened while the yen stayed practically flat; mainland China and Hong Kong nudged higher.

The USD's continued winning streak pushed the EUR/USD 0.4% lower and the GBP/USD 0.5% down on Monday. Meanwhile the Fed fund futures imply that the probability of mid-March rate hike is above 90%. The yield on German 10Y bonds inched one basis point down, while its US peer edged one basis point higher.

The WTI's price eased 0.2%, to 53.21 USD/barrel on Monday, while the Brent upped 0.2%, to go beyond 56 USD/barrel again. Industrial metal prices sank, particularly that of copper, after the London Metal Exchange reported on Monday the strongest inventories growth of the past 15 years. Investors' appetite for precious metals did not grow either; gold and silver both dipped.

President Trump revised its travel ban issued at the end of January, removing Iraq from ban list; from now on, only six countries (Iran, Libya, Sudan, Somalia, Syria, and Yemen) face restrictions. The restriction will take effect on 16 March, for 90 days, and it will no longer apply to green card holders, dual citizens, or other people holding lawful permanent residence permits. The refugee program will be suspended for 120 days, refugees from Syria will not be indefinitely banned. Although there is not much difference between the two travel ban orders and this amendment is expected to spark protests too, experts opine that this revised version will be less challengeable at court because it does not exclude those holding valid visa.

The Sentix investment sentiment index for the eurozone has surpassed expectations; moreover, it signified improvement instead of the estimated deterioration.

US factory goods orders grew by a stronger-than-expected 1.2% month/month in January. Excluding shipments, the index showed a milder, 0.3% month/month increase in January, in a considerable slowing from December's 2.4% reading.

Germany's factory goods orders figures, released this morning, missed forecasts (-2.5% month/month) by a large margin while the actual January reading was -7.4%.

Today's important releases include housing price index from the UK, the third reading of the eurozone Q4 GDP, as well as the January trade balance statistics from the USA.

	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	2375,3	-0,3	6,1	VIX	11,2	2,6	-20	WTI	53,20	-0,2	-1,0
	DOW	20954,3	-0,2	6,0	US 2Y	1,31	0,4	11	Brent	56,01	0,2	-1,4
	Nasdaq100	5360,3	-0,2	10,2	US 10Y	2,49	0,1	6	Gold	1225,6	-0,7	6,4
	DAX	11958,4	-0,6	4,2	GER 2Y	-0,82	-1,7	-3	Silver	17,78	-1,0	11,6
	CAC40	4972,2	-0,5	2,3	GER 10Y	0,34	-1,1	14	EUR/USD	1,0578	-0,4	0,6
	FTSE 100	7350,1	-0,3	2,9	PT10Y	3,95	0,5	19	EUR/GBP	0,8645	0,1	1,5
	FTSE MIB	19449,9	-1,1	1,1	IT 10Y	2,15	4,2	33	EUR/NOK	8,9832	0,4	-1,1
	Stoxx600	373,3	-0,5	3,3	SP 10	1,75	7,4	35	USD/CAD	1,3409	0,3	-0,2
	- Banks	138,1	-0,9	3,0	iTRAXX	70,6	1,8	-2	AUD/USD	0,7576	-0,2	5,0
	Nikkei 225	19283,5	-0,2	1,2	JPY 2Y	-0,29	-0,3	-11	USD/JPY	113,87	-0,1	-2,6
SSEC	3239,3	0,2	4,4	JPY 10Y	0,07	-0,6	2	GBP/USD	1,2235	-0,4	-0,8	
Regional	RTS	1110,5	0,2	-3,6	RUS10	8,21	-0,1	-2	USD/RUB	58,217	0,0	-5
	WIG20	2217,41	-0,7	13,8	POL 10	3,69	-1,0	2	EUR/PLN	4,3042	0,1	-2,3
	PX50	975,6	0,1	5,9	CZ10	0,66	-4,8	40	EUR/RON	4,5308	0,0	-0,1
Hungary	BUX	33181	0,0	3,7	3MTB	0,18	0	2	EUR/HUF	309,83	0,3	0,3
	OTP	8910	-0,4	6,1	1Y	0,24	0	6	USD/HUF	292,83	0,7	-0,2
	MOL	20790	0,4	0,8	3Y	1,57	-2	72	CHF/HUF	289,23	0,0	0,5
	MTelekom	501	0,6	0,6	5Y	2,34	0	57	PLN/HUF	71,900	0,1	2,6
	Richter	6475	-0,4	4,3	10Y	3,47	0	27	GBP/HUF	358,25	-0,1	-1

* 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 3. 6.	10 : 30	EZ Sentix Investor confidence (points)	March	20,7	18,5	17,4
	16 : 00	US Factory orders (mom, %)	Jan.	1,2	1,0	1,3
7.	8 : 00	DE Industrial orders (mom, %)	Jan.	-7,4	-2,5	5,2
	9 : 00	HU Industrial production (preliminary, yoy, %)	Jan.		-	-0,5
	9 : 00	HU GDP (detailed, yoy, %)	Q4		-	1,6*
	9 : 00	HU GDP (detailed, qoq, %)	Q4		-	0,4*
	11 : 00	HU International reserves (final, EURbn)	Jan.		-	24,7
	11 : 00	HU Fiscal balance (monthly, billion HUF)	Febr.		-	123,4
	11 : 00	EZ GDP (revision, qoq, %)	Q4		0,4	0,4*
8.	11 : 00	EZ GDP (revision, yoy, %)	Q4		1,7	1,7*
	0 : 50	JP GDP (revision, annualized qoq, %)	Q4		1,6	1,0*
	3 : 00	CN Import (yoy, %)	Febr.		20,3	16,7
	3 : 00	CN Export (yoy, %)	Febr.		10,0	7,9
	8 : 00	DE Industrial production (mom, %)	Jan.		2,7	-3,0
	9 : 00	HU Core inflation (yoy, %)	Febr.		-	1,6
	9 : 00	HU Inflation (yoy, %)	Febr.		-	2,3
	13 : 00	PL Interest rate decision (%)	March		1,5	1,5
	14 : 15	US ADP non-farm employment (mom, '000s)	Febr.		180	246
	9.	2 : 30	CN CPI (yoy, %)	Febr.		1,6
2 : 30		CN CPI (mom, %)	Febr.		0,6	1,0
13 : 45		EZ Interest rate decision (lending rate, %)	March		0,0	0,0
10.	13 : 45	EZ Interest rate decision (deposit rate, %)	March		-0,4	-0,4
	8 : 00	DE Export (mom, %)	Jan.		2,0	-3,3
	9 : 00	HU Trade balance (preliminary, monthly, EURmn)	Jan.		-	579
	10 : 30	UK Industrial production (mom, %)	Jan.		-0,1	1,1
	14 : 30	US Unemployment rate (%)	Febr.		4,7	4,8
	14 : 30	US Average earnings (yoy, %)	Febr.		2,6	2,5
	14 : 30	US Average earning (mom, %)	Febr.		0,2	0,1
	14 : 30	US Non-farm payroll (mom, '000s)	Febr.		180	227
20 : 00	US Federal budget balance (USDbn)	Febr.		-	51,0	

Source: Reuters, OTP Research

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