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Global Daily Report

Summary

- Trading in Europe was unenthusiastic, while US markets were closed on Monday
- The euro strengthened against the US dollar yesterday
- The USD/TRY spiked 1.5% as Turkey prepares for a military action against Kurdish militia
- The head of Germany's SPD party is optimistic about the success of coalition talks

Monday's trading was rather sour in Europe, where the DAX lost 0.3%; the CAC40 and the FTSE100 dropped 0.1% each. Amid the mixed sentiment in Central and Eastern Europe, the low-volatility WIG20 eked out small gain while the BUX fell 0.7%.

US markets were closed Martin Luther King Day.

In Asia, Japan's Nikkei grew by 1.3%, while mainland China's SSEC closed 1.2% down.

On currency markets, the greenback's weakening drove the EUR/USD 0.7% higher and the USD/JPY 0.5% lower. Hedge funds and other speculative investors had accumulated the largest ever long positions in the EUR/USD, the US-based Commodity Futures Trading Commission's data show.

The Turkish lira lost nearly 1.5% against the US dollar as President Erdogan said that military action against the Kurdish People's Protection Unit stationing in Syria may start at any time. Apparently, Turkish leaders fear that the reinforced militia may intensify the resistance of the Kurds living in Turkey.

The eurozone's reforms that started with the banking union should be continued by early 2019 at the latest, France's finance minister warned. Reforms would include a single mechanism for winding up troubled financial institutions, and the creation of a joint guarantee for banking deposits.

Oil prices continued their rise on Monday. The Brent climbed above USD 70, while the WTI is drawing close to USD 65. Gold price crept 0.2% higher, while silver added 0.8%.

Martin Schulz, the head of Germany's SPD party is optimistic about the coalition talks, and opined that his party would support the terms of the coalition, and the alliance of Germany's two big parties would stand tall against the far right.

Gem Diamonds sky-rocketed 15% as the fifth largest diamond in the world was found in the Lesotho-I mine. The 910-carate diamond may be worth as much as USD 40 million, and analyst at Liberum Market Capitals said, adding that the pricing is hugely variable.

Royal Dutch Schell is planning the largest investment in 30 years in the North Sea, by resuming production in the Penguins oil and gas field, which may boost its daily output by 45,000 barrels.

Today's important publications include inflation data from the UK and the New York Fed Manufacturing index.

	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	2786,2	0,0	4,2	VIX	10,2	0	-8	WTI	64,42	0,0	6,6
	DOW	25803,2	0,0	4,4	US 2Y	2,0	0	12	Brent	69,92	0,1	4,6
	Nasdaq100	6758,5	0,0	5,7	US 10Y	2,5	-2	12	Arany	1338,71	0,0	2,8
	DAX	13200,5	-0,3	2,2	GER 2Y	-0,6	-2	5	Ezüst	17,23	-0,1	1,7
	CAC40	5509,7	-0,1	3,7	GER 10Y	0,6	5	15	EUR/USD	1,22	0,5	2,0
	FTSE 100	7769,1	-0,1	1,1	PT10Y	1,8	-2	-15	EUR/GBP	0,89	0,0	0,0
	FTSE MIB	23543,6	0,5	7,7	IT 10Y	2,0	-1	-1	EUR/NOK	9,66	-0,1	-2,0
	Stoxx600	397,8	-0,2	2,2	SP 10	1,5	2	-6	USD/CAD	1,24	-0,2	-1,2
	- Banks	177,3	0,8	7,5	iTRAXX	44,5	0	-1	AUD/USD	0,80	0,6	2,0
	Nikkei 225	23951,8	0,0	5,2	JPY 2Y	-0,1	0	0	USD/JPY	110,72	-0,3	-1,7
SSEC	3368,8	0,0	1,9	JPY 10Y	0,1	0	3	GBP/USD	1,38	0,4	2,0	
Regional	RTS	1262,0	0,1	9,3	RUS10	7,4	0	-2	USD/RUB	56,423	-0,4	-2,1
	WIG20	2542,7	0,1	3,3	POL 10	3,3	-1	0	EUR/PLN	4,17	0,1	0,0
	PX50	1109,1	0,0	2,9	CZ10	1,7	0	15	EUR/RON	4,643	0,2	-0,7
Hungary	BUX	39579	-0,7	0,5	3M T-Bill	0,03	-2	-1	EUR/HUF	308,65	0,0	-0,6
	OTP	10860	-0,6	1,3	1Y	0,07	0	2	USD/HUF	252,05	-0,4	-2,6
	MOL	3016	-0,9	0,4	3Y	0,56	-1	1	CHF/HUF	261,41	-0,1	-1,3
	MTelekom	468	-0,7	2,1	5Y	1,07	2	-10	PLN/HUF	73,89	-0,2	-0,5
	Richter	6735	-0,6	-0,7	10Y	2,09	1	4	GBP/HUF	347,29	-0,1	-0,6

* 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.
2018 01. 15.	9 : 00	HU Construction output (yoy, %)	Nov.	30,7	-	38,1
16.	8 : 00	DE Budget balance (% of GDP)	Dec.	1,6	1,7	1,7*
	10 : 30	UK Inflation (yoy, %)	Dec.		3,0	3,1
	10 : 30	UK Core inflation (yoy, %)	Dec.		2,6	2,7
	14 : 30	US New York Fed Manufacturing index (points)	Jan.		19	18
17.	11 : 00	EZ CPI (final, yoy, %)	Dec.		1,4	1,4*
	15 : 15	US Industrial production (mom, %)	Dec.		0	0,2
	20 : 00	US Beige Book	-		-	-
18.	3 : 00	CN Infrastructural spending (yoy, %)	Dec.		7,10	7,2
	3 : 00	CN Industrial production (yoy, %)	Dec.		6,0	6,1
	3 : 00	CN Retail sales (yoy, %)	Dec.		10,1	10,2
	3 : 00	CN GDP (preliminary, yoy, %)	Q4		6,7	6,8
	3 : 00	CN GDP (qoq, SA, preliminary, %)	Q4		1,6	1,7
	14 : 30	US Housing starts (annualized monthly, '000s)	Dec.		1284	1297
	14 : 30	US Building permits (annualized monthly, '000s)	Dec.		1305	1303
19.	9 : 00	HU Gross wages (yoy, %)	Nov.		-	12,8
	10 : 30	UK Retail sales (mom, %)	Dec.		-0,6	1,1
	16 : 00	US Michigan Consumer confidence (preliminary, points)	Jan.		97,0	95,9

*preliminary data

Sources: Reuters, OTP Research

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