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Global Daily Report

Summary

- The developed world's stock markets extended their gains on Monday; the key US indices hit new highs.
- The USA government funding is secured until 8 February as President Trump signed a stopgap bill.
- The IMF raised its short-term economic growth forecast.

There was bright sentiment in Monday's trading in Europe. Following S&P's Friday move to upgrade Spain's and Greece's sovereign debts, the two countries' stock indices picked up yesterday: the IBEX closed 1.0% higher, breaking a five-month record, while Greece's ASE index upped 1.3%, its highest in nearly three years. The Stoxx600 rose by 0.3%. The DAX climbed 0.2%, while the FTSE shed 0.2%. The CAC40 also advanced 0.3% yesterday, even though Sanofi fell -2.9%, after announcing the purchase of Bioverativ, a biotech company for USD 11.6 billion. Barclays surged more than 4%, as the US-based Tiger Global hedge fund invested more than GBP 1 billion into the bank, according to the Financial Times' sources.

On Monday the US Senate secured funding for the US administration until 8 February in a procedural vote, putting an end to the US government shutdown. As a result, optimism returned to the Wall Street, where the key US indices broke records again. The S&P marched 0.8% higher, to close at an all-time high, as did the Dow (+0.6%) and the NASDAQ100 (1.1%). Within the S&P500 the energy, the consumer discretionary, and the tech sectors posted the most impressive gains, while utilities, industrial companies and base material producers missed out on the rally. Apple shrank 0.8% yesterday – apparently, investors are concerned about the weak sales data of iPhone X. In contrast, Amazon went up 2.5%, and Netflix, which published its quarterly report after the close, gained 3.2%. The streaming giant's quarterly revenue met expectations, and its new subscriber numbers surged to a record-high of 8.3 million, beating expectations of 6.3 million growth – this represents 18% surge in year/year terms. The news triggered nearly 10% rally in after-hours-trading. Netflix's capitalization reached USD 100 billion. Verizon, whose share price upped 3% on Monday, will release its Q4 report today.

OPEC member states agreed to carry on their cooperation after the current production freeze expires at the end of this year. The Saudi energy minister, who made the announcement, said that no decision has been made on the cooperation's mechanism, but members have the same opinion on its continuation. The report did not trigger any sharp move in oil futures. Despite going up 60 cents, the Brent crude remained below 70 USD/barrel. The WTI rose 0.4% to close at USD 63.57.

On the currency market, the EUR/USD edged higher, to close above 1.22 on Monday.

In its first outlook this year, the IMF raised its forecast on this year's global growth. Since October, the organization has lifted its prediction for global economic growth this year and next by 0.2%, to 3.9%, the fastest growth rate since 2011. One reason for the faster growth projection is the US tax reform approved in December, which the Fund expects to lead to 2.7% GDP growth in the USA, up from its October forecast of 2.4%. The updated projection sees the eurozone and Japan expand by 2.2% and 1.2% respectively this year, which translates into 0.3% and 0.5% increases from previous estimates. The IMF raised its 2017 forecast for China by 0.1% (to 6.6%), while leaving that for India at 7.4%. Britain, which is struggling with Brexit, is likely to grow by 1.5% in 2018 and 2019, in the Fund's estimation.

Tuesday's meeting of the Bank of Japan left its monetary conditions in place, as expected, but its announcement struck a more upbeat tone about inflationary expectations. The Nikkei was seen 1.3% higher in the morning, and the remaining indices of Asia went to new highs. The USD/JPY exceeded the 111.0 line by the end of the trading. The Taiwanese dollar (TWD went to its highest since January 2013).

Today the ZEW economic sentiment index will see the light of day in Germany; markets expect a slight improvement. Analysts predict a modest gain in the January gauge of the euro zone's consumer confidence 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	2833,0	0,8	6,0	VIX	11,0	-2	0	WTI	63,57	0,3	5,2
	DOW	26214,6	0,5	6,0	US 2Y	2,1	1	18	Brent	69,03	0,6	3,2
	Nasdaq100	6906,3	1,1	8,0	US 10Y	2,7	2	25	Arany	1333,70	0,2	2,4
	DAX	13463,7	0,2	4,2	GER 2Y	-0,6	0	3	Ezüst	17,01	0,1	0,4
	CAC40	5542,0	0,3	4,3	GER 10Y	0,6	0	14	EUR/USD	1,23	0,3	2,2
	FTSE 100	7715,4	-0,2	0,4	PT10Y	1,7	-4	-23	EUR/GBP	0,88	-0,6	-1,3
	FTSE MIB	23890,2	0,6	9,3	IT 10Y	1,9	-4	-8	EUR/NOK	9,63	0,2	-2,2
	Stoxx600	402,1	0,3	3,3	SP 10	1,4	-5	-18	USD/CAD	1,24	-0,4	-1,1
	- Banks	180,0	1,5	9,1	iTRAXX	44,5	0	-1	AUD/USD	0,80	0,3	2,8
	Nikkei 225	24124,2	1,3	6,0	JPY 2Y	-0,1	0	0	USD/JPY	110,91	0,1	-1,6
SSEC	3368,8	-3,8	1,9	JPY 10Y	0,1	-1	2	GBP/USD	1,40	1,0	3,5	
Regional	RTS	1285,3	1,1	11,3	RUS10	7,4	0	-2	USD/RUB	56,476	-0,4	-2,0
	WIG20	2620,9	0,7	6,5	POL 10	3,3	0	1	EUR/PLN	4,17	-0,1	-0,2
	PX50	1132,8	0,8	5,1	CZ10	1,8	-2	16	EUR/RON	4,665	0,1	-0,3
Hungary	BUX	41002	2,4	4,1	3 hó DKJ	0,05	2	1	EUR/HUF	309,47	0,1	-0,3
	OTP	11350	3,5	5,9	1 év	0,10	0	5	USD/HUF	252,30	-0,2	-2,5
	MOL	3196	3,2	6,4	3 év	0,61	2	6	CHF/HUF	262,34	-0,1	-1,0
	MTelekom	480	1,3	4,7	5 év	1,22	1	5	PLN/HUF	74,22	0,2	-0,1
	Richter	6780	1,2	0,0	10 év	2,15	-6	10	GBP/HUF	352,97	0,8	1,0

* 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. 23.	5 : 00	JP Interest rate decision (%)	Jan.	-0,1	-0,1	-0,1
	11 : 00	DE Budget balance (% of GDP)	Jan.		18,0	17,4
	16 : 00	EZ Consumer confidence index (flash, points)	Jan.		0,6	0,5
24.	1 : 30	JP Nikkei Manufacturing PMI (points)	Jan.		-	54,0
	9 : 00	FR Markit Service PMI (points)	Jan.		58,8	59,1
	9 : 00	FR Markit Manufacturing PMI (points)	Jan.		59,0	58,8
	9 : 30	DE Markit Service PMI (points)	Jan.		55,8	55,8
	9 : 30	DE Markit Manufacturing PMI (points)	-		63,0	63,3
	10 : 00	EZ Markit Service PMI (points)	Jan.		56,5	56,6
	10 : 00	EZ Markit Manufacturing PMI (points)	Jan.		60,4	60,6
	15 : 45	US Markit Service PMI (points)	Jan.		-	53,7
	15 : 45	US Markit Manufacturing PMI (points)	Jan.		-	55,1
	16 : 00	US Existing home sales (mom, %)	Dec.		5690	5810
25.	10 : 00	DE IFO Economic sentiment index (points)	Jan.		117,2	117,2
	13 : 45	EZ Interest rate decision (lending rate, %)	Jan.		0,0	0,0
	13 : 45	EZ Interest rate decision (deposit rate, %)	Jan.		-0,4	-0,4
	16 : 00	US Leading index (mom, %)	Dec.		0,5	0,4
	16 : 00	US New home sales (annualized monthly, '000s)	Dec.		707,0	733,0
26.	0 : 30	JP CPI (yoy, %)	Dec.		-	0,6
	0 : 30	JP core-CPI (yoy, %)	Dec.		0,9	0,9
	10 : 30	UK GDP (preliminary, yoy, %)	Q4		1,4	1,7
	14 : 30	US Durable goods orders (mom, %)	Dec.		0,8	1,3
	14 : 30	US GDP (annualized qoq, %)	Q4		3,0	3,2

*preliminary data

Sources: Reuters, OTP Research

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