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Global Daily Report

Summary

- Speaking in Davos last night, President Trump argued for stronger dollar, contradicting Wednesday's statements
- The ECB post-meeting statement pointed out the eurozone's positive growth prospects
- Europe's stock markets sank into the red; trading in America was rather unenthusiastic
- The USA will publish Q4 GDP data today.

In Thursday's rather lukewarm trading, the Dow grew by 0.4%, lifted by 3M (+1.6%), Boeing (+2.3%), and Goldman Sachs (+0.9%). One reason for the uncertainty on markets was US Treasury Secretary Steve Mnuchin's statement at the Davos WEF ('dollar is not a concern of mine' and 'in the longer term, we fundamentally believe in the strength of the dollar'). This was walking back on his previous day's comment that the weaker dollar benefited US commerce. Share prices were largely driven by corporate reports yesterday. Celege advanced 1.5% on account of better-than-expected Q4 profit. American Airlines descended 3.2% owing to disappointing profitability data. Amazon closed 1.4% higher as DA Davidson's analysts raised its target price to USD 1,800.

Europe's key indices closed in the red on Thursday, when the defining events were the ECB's rate decision and the subsequent press conference. The European Central Bank left its benchmark rate unchanged at 0%, and it is not planning to change its key policy rate before the quantitative easing programme ends (probably September). The ECB's announcement underlines the solid fundamentals of the eurozone's growth. Its President Mario Draghi called the euro's rise a 'source of uncertainty', which poses downside risks for the eurozone's growth prospects, adding that the ECB had no exchange rate target.

The ECB's announcement pushed the EUR/USD 0.8% higher by early afternoon. But the evening speech of Donald Trump made the case for a stronger dollar, in stark contrast with what Steve Mnuchin had said on the previous day. After the US president's words, the EUR/USD returned to the levels seen in the morning.

The greenback's recovery dragged down commodity prices: the Brent and the WTI slipped 0.2% each by the end of the day. Gold lost 0.8% of its shine, wiping out the previous day's gains, but it was seen glittering again this morning.

Germany published favourable macrodata on its economy. The IFO economic sentiment index rose to 117.6 points in January, reaching the record high hit in November, and surpassing analysts' forecast by 0.4 percentage points. The Leading indicator, which tracks global and US macroeconomic trends, grew by a stronger-than-expected 0.6% in December, reflecting the first effects of the US tax reform. The US housing market data were disappointing: the December gauge of new home sales sank by 625,000, which is 50,000 less than analysts had predicted. Moreover, the November reading revised to 689,000, down from 733,000.

Intel is to publish its Q4 earnings report today. The technology giant's profitability is likely to be adversely affected by the problems with its Spectre and Meltdown processors, revealed earlier this month.

This morning may mark the beginning of official coalition negotiations in Germany. The trilateral talks of the CSU, CDU and SPD parties will begin as party leaders meet. On the other side of the Atlantic, the USA will publish Q4 GDP data today.

	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	2839,3	0,1	6,2	VIX	11,6	1	5	WTI	65,51	-0,2	8,4
	DOW	26392,8	0,5	6,8	US 2Y	2,1	0	19	Brent	70,42	-0,2	5,3
	Nasdaq100	6916,3	0,0	8,1	US 10Y	2,6	-3	21	Arany	1347,65	-0,8	3,5
	DAX	13298,4	-0,9	2,9	GER 2Y	-0,6	2	7	Ezüst	17,30	-1,5	2,1
	CAC40	5481,2	-0,3	3,2	GER 10Y	0,6	2	19	EUR/USD	1,24	-0,1	3,3
	FTSE 100	7615,8	-0,4	-0,9	PT10Y	1,9	22	-3	EUR/GBP	0,88	0,6	-1,3
	FTSE MIB	23719,8	0,4	8,5	IT 10Y	2,0	5	-4	EUR/NOK	9,60	-0,1	-2,6
	Stoxx600	398,6	-0,6	2,4	SP 10	1,4	6	-16	USD/CAD	1,24	0,3	-1,6
	- Banks	183,1	1,1	11,0	iTRAXX	43,6	-1	-3	AUD/USD	0,80	-0,4	2,9
	Nikkei 225	23669,5	0,0	4,0	JPY 2Y	-0,1	0	1	USD/JPY	109,39	0,2	-2,9
SSEC	3571,1	0,6	8,0	JPY 10Y	0,1	-1	3	GBP/USD	1,41	-0,7	4,7	
Regional	RTS	1311,2	1,5	13,6	RUS10	7,4	0	-3	USD/RUB	55,934	-0,4	-3,0
	WIG20	2589,3	-1,2	5,2	POL 10	3,4	1	2	EUR/PLN	4,14	-0,2	-0,8
	PX50	1133,8	-0,4	5,2	CZ10	1,8	0	18	EUR/RON	4,673	0,2	-0,1
Hungary	BUX	40432	-1,3	2,7	3M T-Bill	0,04	-1	0	EUR/HUF	309,10	0,0	-0,5
	OTP	11330	-1,7	5,7	1Y	0,07	-3	2	USD/HUF	249,17	0,0	-3,7
	MOL	3112	-1,8	3,6	3Y	0,60	1	5	CHF/HUF	264,69	0,5	-0,1
	MTelekom	481	0,4	5,0	5Y	1,18	-2	1	PLN/HUF	74,54	0,1	0,4
	Richter	6645	-0,4	-2,0	10Y	2,19	-1	14	GBP/HUF	352,37	-0,7	0,9

* 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.	20,4	18,0	17,4
	16 : 00	EZ Consumer confidence index (flash, points)	Jan.	1,3	0,6	0,5
24.	1 : 30	JP Nikkei Manufacturing PMI (points)	Jan.	54,4	-	54,0
	9 : 00	FR Markit Service PMI (points)	Jan.	58,1	58,8	59,1
	9 : 00	FR Markit Manufacturing PMI (points)	Jan.	59,3	59,0	58,8
	9 : 30	DE Markit Service PMI (points)	Jan.	57,0	55,8	55,8
	9 : 30	DE Markit Manufacturing PMI (points)	-	61,2	63,0	63,3
	10 : 00	EZ Markit Service PMI (points)	Jan.	57,6	56,5	56,6
	10 : 00	EZ Markit Manufacturing PMI (points)	Jan.	59,6	60,4	60,6
	15 : 45	US Markit Service PMI (points)	Jan.	53,3	54,0	53,7
	15 : 45	US Markit Manufacturing PMI (points)	Jan.	55,5	55,0	55,1
	16 : 00	US Existing home sales (mom, %)	Dec.	5 570	5 690	5 810
25.	10 : 00	DE IFO Economic sentiment index (points)	Jan.	117,6	117,2	117,2
	13 : 45	EZ Interest rate decision (lending rate, %)	Jan.	0,0	0,0	0,0
	13 : 45	EZ Interest rate decision (deposit rate, %)	Jan.	-0,4	-0,4	-0,4
	16 : 00	US Leading index (mom, %)	Dec.	0,6	0,5	0,4
	16 : 00	US New home sales (annualized monthly, '000s)	Dec.	625,0	675	689
26.	0 : 30	JP CPI (yoy, %)	Dec.	1,0	-	1,1
	0 : 30	JP core-CPI (yoy, %)	Dec.	0,9	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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