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Global Daily Report

Summary

- Developed market lost impetus on Monday.
- Concerns about iPhone X's pale sales data dragged down Apple's share price by 2%.
- Today President Trump is to make his State of the Union speech.

Monday morning's drops in Asia were followed by a slow erosion of stock prices in Western Europe, where most indices ended in the red. The Stoxx600 shed 0.2%, ending a day of ebbs and flows, the DAX edged 0.1% lower, while the FTSE inched up 0.1%. Monday's trading was largely driven by the corporate world. AMS, one of Apple's suppliers, reported a 252% jump in its Q4 revenue, thus its annual revenue exceeded EUR 1 billion. As a result, Austria's chipmaker, which supplies sensor technology for iPhone X's face recognition application, sky-rocketed 17%, and it raised its revenue guidance. This helped a number of European chip makers, too: Dialog Semiconductor surged 3.1%, STMicroelectronics advanced 2.4%, and the Stoxx Europe 600 Technology Index rose 0.5%. AngloAmerican (+1.2%) benefited from news on selling some of its mines, while Ablynx, a biopharma company, which Sanofi intends to buy for EUR 3.9 billion, shot up 19% yesterday. By contrast, oil companies did not fare well: the Stoxx600's oil sector index slipped 0.6% as oil futures dropped more than 1%. Spain's Bankia contracted by more than 4%, after revealing its Q4 losses. Today the quarterly earnings figures of Philips and SAP are due out.

On the other side of the Atlantic, Friday's record highs were followed by losses on Monday, when the Dow and S&P fell 0.7% each. None of the S&P's sector indices could climb into positive territory – the sharpest losses were seen in the energy sector (owing to a drop in oil prices), as well as utilities, real property and industrial sectors. Technology shrank less than 0.5%. The winner of the day was Dr Pepper Snapple, the soft drink company, after the morning's announcement of a merger with the premium coffee distributor Keurig Green Mountain. Reportedly, Dr Pepper's shareholders will receive a one-off dividend of 103.75 USD/share (on Monday its share price opened at 96 USD), as well as 13% share from the amalgamated company; this triggered a 22% rally. Apple contracted by 2% owing to news on the weak sales data of iPhone X. Today's raft of earnings reports come from the technology sector (AMD, Juniper) and other industries (McDonald's, Pfizer).

American investors will focus on President Trump's State of the Union speech today, the Fed's Wednesday rate decision, as well as Friday's employment report. The sixth round of the NAFTA negotiations was completed. On the bond market, yields are grinding higher: the US 10Y Treasury Note yield upped seven basis points, to 2.69%, its highest since April 2014, while the 2Y benchmark yield rose by three basis points, to 2.13%. Germany's 10Y bund yield added seven basis points, to 0.69%. The euro's weakening led the EUR/USD 0.4% lower, to 1.2380. The GBP also lost steam.

Asia's markets closed in the red this morning. The Nikkei dropped 1.4%, the Shanghai Composite dipped 1.0%, and the Hang Seng lost 1.2%. The Hang Seng's index of financial service providers slid more than 2%.

The preliminary figure of France's fourth-quarter GDP slightly exceeded forecasts as economic output rose by 0.6% from the previous quarter. Later in the day, further GDP data are due out from the eurozone and from Poland. In the USA, the latest statistics of Case-Shiller home price index, and the January consumer sentiment index will see the light of the day.

	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	2853,5	-0,7	6,7	VIX	13,8	25	25	WTI	65,56	-0,9	8,5
	DOW	26439,5	-0,7	7,0	US 2Y	2,1	0	23	Brent	69,46	-1,5	3,9
	Nasdaq100	6988,3	-0,5	9,3	US 10Y	2,7	4	29	Arany	1339,96	-0,7	2,9
	DAX	13324,5	-0,1	3,1	GER 2Y	-0,5	1	10	Ezüst	17,16	-1,3	1,2
	CAC40	5521,6	-0,1	3,9	GER 10Y	0,7	7	27	EUR/USD	1,24	-0,3	3,2
	FTSE 100	7671,5	0,1	-0,2	PT10Y	1,9	0	1	EUR/GBP	0,88	0,2	-1,0
	FTSE MIB	23801,6	-0,2	8,9	IT 10Y	2,0	2	2	EUR/NOK	9,55	-0,1	-3,0
	Stoxx600	399,8	-0,2	2,7	SP 10	1,4	2	-15	USD/CAD	1,23	0,2	-1,9
	- Banks	181,4	-0,7	9,9	iTRAXX	43,3	1	-4	AUD/USD	0,81	-0,2	3,7
	Nikkei 225	23291,3	-1,4	2,3	JPY 2Y	-0,1	0	1	USD/JPY	108,95	0,2	-3,3
SSEC	3488,7	-1,0	5,5	JPY 10Y	0,1	1	5	GBP/USD	1,41	-0,7	4,1	
Regional	RTS	1275,6	-0,9	10,5	RUS10	7,4	0	-2	USD/RUB	56,311	0,2	-2,3
	WIG20	2593,4	-0,3	5,4	POL 10	3,5	1	6	EUR/PLN	4,14	0,2	-0,7
	PX50	1131,2	-0,1	4,9	CZ10	1,8	0	18	EUR/RON	4,652	-0,2	-0,5
Hungary	BUX	40500	-0,7	2,9	3M T-Bill	0,06	1	2	EUR/HUF	309,90	0,2	-0,2
	OTP	11560	0,3	7,8	1Y	0,07	0	2	USD/HUF	250,13	0,5	-3,4
	MOL	3100	-1,2	3,2	3Y	0,60	3	5	CHF/HUF	267,03	0,3	0,8
	MTelekom	473	-0,5	3,2	5Y	1,28	8	11	PLN/HUF	74,72	-0,1	0,6
	Richter	6495	-2,3	-4,2	10Y	2,29	8	25	GBP/HUF	352,11	-0,3	0,8

* 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.
2018.01.29. 14 : 30	US	Personal income (mom, %)	Dec.	0,4	0,3	0,3
14 : 30	US	Personal consumption (adjusted, mom, %)	Dec.	0,4	0,4	0,8
30. 7 : 30	FR	GDP (preliminary, qoq, %)	Q4	0,6	0,5	0,6
9 : 00	ES	GDP (preliminary, qoq, %)	Q4	0,7	0,7	0,8
9 : 00	HU	Unemployment rate (%)	Dec.	3,8	-	3,8
10 : 00	PL	GDP (yoy, %)	2017	-	-	2,9
11 : 00	EZ	GDP (preliminary, yoy, %)	Q4	-	2,6	2,6
11 : 00	EZ	GDP (preliminary, qoq, %)	-	-	0,6	0,6
11 : 00	EZ	EC Economic Sentiment Index (points)	Jan.	-	116,3	116,0
14 : 00	HU	Interest rate decision (%)	Jan.	-	0,9	0,9
14 : 00	DE	CPI (flash, yoy, %)	Jan.	-	1,7	1,7
15 : 00	US	Case-Shiller Home Price Index (yoy, %)	Nov.	-	6,4	6,4
16 : 00	US	Consumer confidence (point)	Jan.	-	123	122
31. 2 : 00	CN	NBS Manufacturing PMI (points)	Jan.	-	51,5	51,6
2 : 00	CN	NBS non-Manufacturing PMI (points)	Jan.	-	-	55,0
8 : 00	DE	Retail sales (mom, %)	Dec.	-	-0,4	2,3
9 : 00	HU	Industrial producer prices (yoy, %)	Dec.	-	-	4,5
9 : 00	AT	GDP (preliminary, qoq, %)	Q4	-	-	1
11 : 00	EZ	CPI (flash, yoy, %)	Jan.	-	1,3	1,4
11 : 00	EZ	Core CPI (flash, yoy, %)	Jan.	-	1,0	1,1
11 : 00	EZ	Unemployment rate (%)	Dec.	-	8,6	8,7
14 : 15	US	ADP non-farm employment (mom, '000s)	Jan.	-	180	250
15 : 45	US	Chicago PMI (points)	Jan.	-	64,5	67,6
16 : 00	US	Pending home sales (mom, %)	Dec.	-	0,3	0,2
20 : 00	US	Interest rate decision (%)	Jan.	-	1,25-1,5	1,25-1,5
	HU	Aggregated real house price index (Nat. Bank of Hungary)	Q2	-	-	125,2
2. 1. 9 : 00	HU	Manufacturing PMI (points)	Jan.	-	-	60,0
13 : 00	US	ADP non-farm employment (mom, '000s)	Jan.	-	180	250
14 : 30	US	Chicago PMI (points)	Jan.	-	64,5	67,6
16 : 00	US	Construction expenditure (mom, %)	Dec.	-	0,4	0,8
16 : 00	US	ISM Manufacturing PMI (points)	Jan.	-	59,0	59,7
21 : 30	US	Vehicle sales (annualized monthly, million)	Jan.	-	17	18
	HU	Aggregated balance sheet of credit institutions	Dec.	-	-	-
2. 3 : 00	HU	Trade balance (detailed, monthly, EUR mn)	-	-	-	718*
9 : 00	US	Unemployment rate (%)	Jan.	-	4,1	4,1
14 : 30	US	Average earnings (yoy, %)	Jan.	-	2,6	2,5
14 : 30	US	Average earning (mom, %)	Jan.	-	0,3	0,3
14 : 30	US	Non-farm payroll (mom, '000s)	Jan.	-	175	148
14 : 30	US	Factory orders (mom, %)	Dec.	-	1	1
16 : 00	US	Michigan Consumer confidence (preliminary, points)	Jan.	-	95,0	94,4

*preliminary data

Sources: Reuters, OTP Research

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