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Global Daily Report

Summary

- Stock markets picked up from two days of downward moves
- In its last meeting chaired by Janet Yellen, the Fed left interest rates unchanged but is more confident that inflation will rise
- America released strong labour market data

Ending two days losing streak, stock markets closed higher on Wednesday. By the end of the day, America's stock indices recovered, and the S&P closed its strongest January since 1997. Boeing came up with stronger-than-expected Q4 earnings report, and the management raised its 2018 profit guidance from USD 13.8 earnings per share to USD 14 (beating analysts' forecast of USD 11.96). This triggered nearly 6% jump in the share price. In the fourth quarter of 2017, Facebook users spent 50 million hours less each day using the application than in the previous three months, the company said. This was before the social network giant had transformed its news feed, which move may further reduce the time spent on the website. Facebook's shares closed 4.1% down yesterday. Microsoft said the dynamic growth in its cloud-based services helped its Q4 profit surpass analysts' estimates (0.96 USD/share, versus the forecast 0.86), but the US tax reform caused a significant loss (82 cents/share) in the last quarter of 2017. Despite the favourable underlying processes, the first reaction after trading hours was rather negative. After US markets closed, Qualcomm, Mondelez, and AT&T all reported stronger Q4 profits than analysts had projected.

In Asia, only Japan's stock index could climb higher this morning; the remaining benchmark indices closed in the red. India's Sensex index fell 0.5% and the rupee weakened after India had announced to tax gains on stock market investments.

Oil prices edged higher. Last week's unexpectedly sharp jump in US crude inventories was coupled with a contraction in finished product inventories, suggesting that robust demand may follow. Meanwhile OPEC countries strictly abide by the output quotas, a Reuters survey showed. In contrast, America's oil production hit a high unseen since 1970 (9.92 million barrels/day), and the US-based Energy Information Administration expects it to grow by further 10% by 2019.

Wednesday's meeting of the Fed Open Market Committee left interest rates in place, as expected. However, the wording of its post-meeting statement has changed: decision-makers have become more confident that inflation may reach the 2% target this year. Markets found its language more hawkish than before, thus US yields increased (the 10Y one reached 2.75%) and the US dollar firmed after the Fed's decision. But this was only enough to alleviate the morning's ailing of the greenback.

The USA released strong labour market figures: the ADP institute counted 234,000 new jobs in January, 60,000 more than the market had thought. The Chicago purchasing managers' index also signifies strong upswing. In Europe, Germany's retail sales data disappointed, but Austria's GDP did well. The eurozone's inflation in January sank to 1.3%, in line with analysts' consensus forecast. Apparently, prices are still not reflecting Europe's favourable economic situation.

In today's macroeconomic calendar, American vehicles sales and construction expenditure data may be interesting. The tech sector will have a big day: the Q4 earnings figures of Amazon, Apple, and Alphabet (Google) are due out after market close.

	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	2823,8	0,0	5,6	VIX	13,5	-8	23	WTI	64,73	1,5	7,1
	DOW	26149,4	0,3	5,8	US 2Y	2,1	2	25	Brent	69,05	0,0	3,3
	Nasdaq100	6950,0	0,3	8,7	US 10Y	2,7	0	31	Arany	1344,70	0,5	3,2
	DAX	13189,5	-0,1	2,1	GER 2Y	-0,5	0	11	Ezüst	17,31	1,1	2,1
	CAC40	5481,9	0,1	3,2	GER 10Y	0,7	1	27	EUR/USD	1,24	0,2	3,5
	FTSE 100	7533,6	-0,7	-2,0	PT10Y	2,0	1	3	EUR/GBP	0,87	-0,2	-1,5
	FTSE MIB	23507,1	0,1	7,6	IT 10Y	2,0	-1	2	EUR/NOK	9,58	0,0	-2,8
	Stoxx600	395,5	-0,2	1,6	SP 10	1,4	1	-15	USD/CAD	1,23	-0,2	-2,1
	- Banks	179,7	0,1	8,9	iTRAXX	43,7	-2	-3	AUD/USD	0,81	-0,3	3,2
	Nikkei 225	23486,1	0,0	3,2	JPY 2Y	-0,1	1	2	USD/JPY	109,17	0,4	-3,1
SSEC	3447,0	-1,0	4,2	JPY 10Y	0,1	1	4	GBP/USD	1,42	0,3	5,0	
Regional	RTS	1282,4	0,6	11,1	RUS10	7,2	-1	-5	USD/RUB	56,187	-0,3	-2,6
	WIG20	2553,8	-0,5	3,8	POL 10	3,6	4	10	EUR/PLN	4,15	-0,2	-0,6
	PX50	1130,9	0,3	4,9	CZ10	1,8	0	18	EUR/RON	4,649	0,0	-0,6
Hungary	BUX	40189	0,7	2,1	3M T-Bill	0,03	0	-1	EUR/HUF	309,87	-0,2	-0,2
	OTP	11590	1,7	8,1	1Y	0,07	0	2	USD/HUF	249,53	-0,4	-3,6
	MOL	3054	0,6	1,6	3Y	0,62	0	7	CHF/HUF	267,96	0,0	1,1
	MTelekom	467	-1,1	2,0	5Y	1,32	5	15	PLN/HUF	74,60	0,0	0,4
	Richter	6425	-0,4	-5,2	10Y	2,35	6	31	GBP/HUF	354,06	-0,1	1,3

* 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	4,6	4,5	2,9
	11 : 00	EZ GDP (preliminary, yoy, %)	Q4	2,7	2,7	2,6
	11 : 00	EZ GDP (preliminary, qoq, %)	Q4	0,6	0,6	0,6
	11 : 00	EZ EC Economic Sentiment Index (points)	Jan.	114,7	116,3	116,0
	14 : 00	HU Interest rate decision (%)	Jan.	0,9	0,9	0,9
	14 : 00	DE CPI (flash, yoy, %)	Jan.	1,6	1,7	1,7
	15 : 00	US Case-Shiller Home Price Index (yoy, %)	Nov.	6,4	6,4	6,3
	16 : 00	US Consumer confidence (point)	Jan.	125	123	123
	31. 2 : 00	CN NBS Manufacturing PMI (points)	Jan.	51,3	51,5	51,6
	2 : 00	CN NBS non-Manufacturing PMI (points)	Jan.	55,3	-	55,0
	8 : 00	DE Retail sales (mom, %)	Dec.	-1,9	-0,3	2,3
	9 : 00	HU Industrial producer prices (yoy, %)	Dec.	4	-	4,5
	9 : 00	AT GDP (preliminary, qoq, %)	Q4	0,8	1	1
	11 : 00	EZ CPI (flash, yoy, %)	Jan.	1,3	1,3	1,4
	11 : 00	EZ Core CPI (flash, yoy, %)	Jan.	1,0	1,0	1,1
	11 : 00	EZ Unemployment rate (%)	Dec.	8,7	8,7	8,7
	14 : 15	US ADP non-farm employment (mom, '000s)	Jan.	234,0	180	250
	15 : 45	US Chicago PMI (points)	Jan.	65,7	64,5	67,6
	16 : 00	US Pending home sales (mom, %)	Dec.	0,5	0,3	0,2
	20 : 00	US Interest rate decision (%)	Jan.	1,25-1,5	1,25-1,5	1,25-1,5
		HU Aggregated real house price index (Nat. Bank of Hungary)	Q3	127,6	-	125,2
2. 1.	9 : 00	HU Manufacturing PMI (points)	Jan.		-	60,0
	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.		17,4	17,9
		HU Aggregated balance sheet of credit institutions	Dec.		-	-
2.	3 : 00	HU Trade balance (detailed, monthly, EUR mn)	Nov.		-	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.		0,6	1,3
	16 : 00	US Michigan Consumer confidence (preliminary, points)	Jan.		95,0	94,4

*preliminary data

Sources: Reuters, OTP Research

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