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Global Daily Report

Summary

- The direction of trading reversed in Western Europe, where the key benchmarks are recovering. America's stock indices returned to positive territories too.
- Commodity markets benefit from the US dollar's weakening.

The tension abated on Monday, when Western Europe's stock markets picked up after last week's losses. The Stoxx600 upped 1.2%, as did the FTSE and the CAC40. The DAX marched 1.5% higher. One reason for the growth may have been Friday's uptick in American trading, which Asia followed on Monday morning. That said, the Pan-European benchmark is still 5.7% in the red February. Bridgewater hedge fund, the largest in the world, revealed short positions worth USD 14 billion against Western European shares, including USD 1 billion bets against Germany's Siemens and France's Total. In the corporate world, the SES satellite telecommunications service provider nose-dived 11%, as its CEO and CFO quit. Airbus descended 1.2% following Friday's announcement on new problems about the A320neo aircraft engine, which means postponed delivery dates. AirFrance-KLM sank 3.6% on the back of news on a trade union action on 22 February. Today's important corporate events will be the earnings reports of the German wholesaler Metro and the TUI travel and tourism company.

America opened the week with a dynamic upswing: the Dow surged 410 points (or 1.7%) higher, the S&P upped 1.4%, and the NASDAQ100 grew by 1.7%. Within the S&P, raw materials and technology names led the index, while the defensive sector underperformed, but all closed in positive territory. President Trump proposed a new infrastructure development plan, which clearly added to an already optimistic sentiment. All of the Dow's components but GE (-0.8%) closed higher. In the technology sector, NVidia (-1.8%) was a loser and an exception; in the consumption sector the Dollar Generation discount chain (3.2%) and Gap (-2.7%) were the losers of the day. In the middle of the earnings season, among others Metlife and PepsiCo will release their reports today.

A slight dollar weakening sent the EUR/USD and the GBP/USD somewhat higher. The greenback's depreciation benefited commodity products, helping the Bloomberg Commodity Index rise 0.8%. The WTI crude hit 59.33 USD/barrel (+0.2%), while the Brent shed 13 cents (-0.2%). Gold and copper gained 0.7% and 1% respectively.

In Asia, Japan closed down this morning: the Nikkei eased 0.7% and the Topix100 dipped 0.9%.

The US federal budget ran slightly less than USD 49 billion surplus in January, short of the forecast USD 51 billion. The plans President Trump presented on Monday would double deficit (to nearly USD 1,000 billion) in the next fiscal year compared to last year's expectations.

UK inflation data are due out today. Hungary's January CPI was up 2.1% in year/year comparison.

| | 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 | 2656,0 | 1,4 | -0,7 | VIX | 25,6 | -12 | 132 | WTI | 59,29 | 0,2 | -1,9 |
| | DOW | 24601,3 | 1,7 | -0,5 | US 2Y | 2,1 | 2 | 19 | Brent | 62,59 | -0,3 | -6,4 |
| | Nasdaq100 | 6523,9 | 1,7 | 2,0 | US 10Y | 2,9 | 2 | 44 | Arany | 1322,83 | 0,5 | 1,6 |
| | DAX | 12282,8 | 1,4 | -4,9 | GER 2Y | -0,6 | -1 | 6 | Ezüst | 16,55 | 1,2 | -2,4 |
| | CAC40 | 5140,1 | 1,2 | -3,2 | GER 10Y | 0,8 | 1 | 33 | EUR/USD | 1,23 | 0,5 | 2,5 |
| | FTSE 100 | 7177,1 | 1,2 | -6,6 | PT10Y | 2,1 | 0 | 14 | EUR/GBP | 0,89 | 0,2 | 0,0 |
| | FTSE MIB | 22336,8 | 0,8 | 2,2 | IT 10Y | 2,0 | -1 | 3 | EUR/NOK | 9,73 | -0,3 | -1,2 |
| | Stoxx600 | 372,9 | 1,2 | -4,2 | SP 10 | 1,5 | 0 | -9 | USD/CAD | 1,26 | 0,0 | 0,0 |
| | - Banks | 168,2 | 1,0 | 1,9 | iTRAXX | 54,0 | -3 | 20 | AUD/USD | 0,79 | 0,6 | 0,7 |
| | Nikkei 225 | 21244,7 | -0,6 | -6,7 | JPY 2Y | -0,1 | 0 | -1 | USD/JPY | 108,64 | -0,1 | -3,6 |
| SSEC | 3183,4 | 0,9 | -3,7 | JPY 10Y | 0,1 | 0 | 2 | GBP/USD | 1,38 | 0,0 | 2,4 | |
| Regional | RTS | 1206,2 | 1,7 | 4,5 | RUS10 | 7,1 | 0 | -6 | USD/RUB | 57,743 | -1,0 | 0,1 |
| | WIG20 | 2414,4 | 1,3 | -1,9 | POL 10 | 3,5 | -1 | 7 | EUR/PLN | 4,17 | -0,4 | -0,2 |
| | PX50 | 1110,5 | 0,4 | 3,0 | CZ10 | 1,8 | 0 | 21 | EUR/RON | 4,652 | -0,1 | -0,5 |
| Hungary | BUX | 38287 | -0,1 | -2,8 | 3M T-Bill | 0,03 | -2 | -1 | EUR/HUF | 311,77 | 0,0 | 0,4 |
| | OTP | 11400 | 1,8 | 6,3 | 1Y | 0,07 | 0 | 2 | USD/HUF | 253,52 | -0,5 | -2,1 |
| | MOL | 2904 | 1,6 | -3,4 | 3Y | 0,74 | 1 | 19 | CHF/HUF | 270,05 | -0,5 | 1,9 |
| | MTelekom | 460 | 0,4 | 0,4 | 5Y | 1,51 | 1 | 34 | PLN/HUF | 74,77 | 0,4 | 0,7 |
| | Richter | 5600 | -6,4 | -17,4 | 10Y | 2,57 | 3 | 53 | GBP/HUF | 350,79 | -0,4 | 0,4 |

* 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 2. 12. | 9 : 00 | HU Construction output (yoy, %) | Dec. | 35,0 | - | 30,7 |
| | 20 : 00 | US Federal budget balance (USDbn) | Jan. | 49,0 | 51,0 | -23,0 |
| 13. | 9 : 00 | HU Industrial production (second estimate, yoy, %) | Dec. | | - | -0,5* |
| | 9 : 00 | HU Inflation (yoy, %) | Jan. | | 2,1 | 2,1 |
| | 9 : 00 | HU Core inflation (yoy, %) | Jan. | | - | 2,6 |
| | 10 : 30 | UK Inflation (yoy, %) | Jan. | | 2,9 | 3,0 |
| | 10 : 30 | UK Core inflation (yoy, %) | Jan. | | 2,6 | 2,5 |
| 14. | 0 : 50 | JP GDP (preliminary, qoq, %) | Q4 | | 0,2 | 0,6 |
| | 8 : 00 | DE CPI (final, yoy, %) | Jan. | | 1,6 | 1,7* |
| | 8 : 00 | DE GDP (preliminary, yoy, SA, %) | Q4 | | 3,0 | 2,8 |
| | 8 : 00 | DE GDP (preliminary, qoq, SA, %) | Q4 | | 0,6 | 0,8 |
| | 8 : 00 | HU GDP (preliminary, yoy, %) | Q4 | | 4,1 | 3,9 |
| | 8 : 00 | HU GDP (preliminary, qoq, %) | Q4 | | - | 0,9 |
| | 8 : 00 | RO GDP (preliminary, yoy, %) | Q4 | | 7,0 | 8,8 |
| | 9 : 00 | SK GDP (preliminary, yoy, %) | Q4 | | 3,4 | 3,4 |
| | 10 : 00 | IT GDP (preliminary, yoy, %) | Q4 | | 1,6 | 1,8 |
| | 10 : 00 | PL GDP (preliminary, yoy, %) | Q4 | | 5,2 | 4,9 |
| | 11 : 00 | EZ Industrial production (mom, %) | Dec. | | -0,1 | 1,0 |
| | 11 : 00 | EZ GDP (preliminary, yoy, %) | Q4 | | 2,7 | 2,7* |
| | 11 : 00 | EZ GDP (preliminary, qoq, %) | Q4 | | 0,6 | 0,6* |
| | 14 : 30 | US CPI (yoy, %) | Jan. | | 2,1 | 2,1 |
| | 14 : 30 | US CPI (mom, %) | Jan. | | 0,3 | 0,1 |
| | 14 : 30 | US core-CPI (yoy, %) | Jan. | | 1,8 | 1,8 |
| | 14 : 30 | US core-CPI (mom, %) | Jan. | | 0,2 | 0,3 |
| | 14 : 30 | US Retail sales (mom, %) | Jan. | | 0,3 | 0,4 |
| | 16 : 00 | US Business inventories (mom, %) | Dec. | | 0,30 | 0,4 |
| 15. | 14 : 30 | US New York Fed Manufacturing index (points) | Febr. | | 17,7 | 17,7 |
| | 15 : 15 | US Industrial production (mom, %) | Jan. | | 0,4 | 0,9 |
| 16. | 9 : 00 | SK GDP (preliminary, yoy, %) | Q4 | | 2,7 | 2,5 |
| | 10 : 30 | UK Retail sales (mom, %) | Jan. | | 0,30 | -1,5 |
| | 14 : 30 | US Housing starts (annualized monthly, '000s) | Jan. | | 1215 | 1192 |
| | 14 : 30 | US Building permits (annualized monthly, '000s) | Jan. | | 1300 | 1300 |
| | 16 : 00 | US Michigan Consumer confidence (preliminary, points) | Febr. | | 95,5 | 94,4 |
| | | HU S&P's Credit Rating decision | - | | | BBB- |

* preliminary data

Sources: Reuters, OTP Research

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