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Global Daily Report

Summary

- Most stock indices fell on Friday. President Trump's import tariff plans caused strong volatility on the developed world's equity markets on Friday.
- Europe closed in the red on Friday and opened with losses on Monday, following the Italian elections.
- Eurosceptic, extremist forces advanced in the Italian vote

Ending a day of ebbs and flows, US stock markets closed mixed on Friday. The S&P edged higher, largely driven by the health care and technology sectors' gains; consumer staples also outperformed. The NASDAQ100 closed 0.9% higher. The Dow lost 0.3% by the close. The strong intraday fluctuation on stock markets was triggered by president Trump's import tariff announcements. It was reported during weekend that the plan would include European vehicles, too, which may further boost the selloff on developed stock markets. The S&P futures stood 0.7% in the red this morning. Asia's indices mostly closed with losses this morning. The modest rise in mainland China's Shanghai Composite may have benefited from China's leaving its 2018 growth forecast at 6.5%.

In Europe, the Stoxx600 fell 2.1% on Friday; the DAX dropped 2.3%, to its lowest since August 2017. This morning Europe opened on a weak note, on the day after the Italian election. The euro is seen weakening.

Exit polls suggest that in Sunday's vote in Italy, the alliance of the centre-right parties, which includes the extremist Northern League is in for sweeping gains, the second is the EU-sceptic and Eurosceptic 5-Star Movement, and the current leader Matteo Renzi's leftist alliance came third. These results suggest the advance of anti-establishment and EU-sceptic forces in Europe's slowest-growing economy, which struggles with high public debt. It remains to be seen whether there will be a majority that could form government. This is not very beneficial for the eurozone, as the block was planning to seize the opportunity of the coming years' strong recovery to pass major reforms. The news somewhat weakened the euro, sending the EUR/USD from 1.2330 to 1.2280. Separately, on Friday Italy released its Q4 GDP data, which signify slowing to 0.3% in quarter/quarter comparison, down from 0.4% in the previous quarter, in line with expectations. In year-on-year terms, the growth decelerated to 1.6%, from 1.7%.

Elsewhere in Europe, the Czech Republic's Q4 GDP was up 0.5% QoQ, and it expanded by 5.2% in year/year terms; the latter beat forecasts by 0.1 percentage point. In the USA, the University of Michigan's consumer sentiment index in February hit 99.7, surpassing expectations (of 99.5) and up from 95.7 in January.

	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	2691,3	0,5	0,7	VIX	19,6	-13	77	WTI	61,25	0,4	1,4
	DOW	24538,1	-0,3	-0,7	US 2Y	2,2	3	35	Brent	64,37	0,8	-3,7
	Nasdaq100	6811,0	0,9	6,5	US 10Y	2,9	6	45	Arany	1322,17	0,5	1,5
	DAX	11913,7	-2,3	-7,8	GER 2Y	-0,5	0	9	Ezüst	16,49	0,1	-2,7
	CAC40	5136,6	-2,4	-3,3	GER 10Y	0,6	0	22	EUR/USD	1,23	0,4	2,7
	FTSE 100	7069,9	-1,5	-8,0	PT10Y	2,0	3	3	EUR/GBP	0,89	0,2	0,4
	FTSE MIB	21912,1	-2,4	0,3	IT 10Y	2,0	1	4	EUR/NOK	9,59	-0,3	-2,6
	Stoxx600	367,0	-2,1	-5,7	SP 10	1,5	3	-3	USD/CAD	1,29	0,3	2,4
	- Banks	165,1	-1,5	0,0	iTRAXX	54,5	2	21	AUD/USD	0,78	0,1	-0,5
	Nikkei 225	21042,1	-0,7	-7,6	JPY 2Y	-0,2	-2	-3	USD/JPY	105,73	-0,5	-6,2
SSEC	3256,9	0,1	-1,5	JPY 10Y	0,0	-3	-1	GBP/USD	1,38	0,2	2,1	
Regional	RTS	1261,6	-1,0	9,3	RUS10	7,1	0	-7	USD/RUB	56,805	0,0	-1,5
	WIG20	2314,2	-0,9	-6,0	POL 10	3,3	-1	-1	EUR/PLN	4,19	0,1	0,4
	PX50	1106,0	-1,0	2,6	CZ10	1,9	0	25	EUR/RON	4,658	0,1	-0,4
Hungary	BUX	36939	-2,2	-6,2	3M T-Bill	0,02	0	-2	EUR/HUF	313,40	0,0	0,9
	OTP	11090	-1,9	3,5	1Y	0,06	1	1	USD/HUF	254,46	-0,4	-1,7
	MOL	2718	-3,2	-9,6	3Y	0,91	-1	36	CHF/HUF	271,79	0,3	2,6
	MTelekom	452	-0,7	-1,4	5Y	1,55	2	38	PLN/HUF	74,75	0,0	0,6
	Richter	5505	-2,3	-18,8	10Y	2,65	-4	60	GBP/HUF	351,08	-0,2	0,5

* 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 3. 5. 10 : 30	EZ	Sentix Investor confidence (points)	Jan.		31	32
11 : 00	EZ	Retail sales (yoy, %)	Jan.		2,1	1,9
6. 9 : 15	CH	CPI (yoy, %)	Febr.		0,5	0,7
14 : 00	RU	CPI (yoy, %)	Febr.		2,3	2,2
7. 9 : 30	UK	Halifax house prices (mom, %)	Febr.		0,3	-0,6
13 : 00	PL	Interest rate decision (%)	Jan.		-	1,5
14 : 15	US	ADP non-farm employment (mom, '000s)	Dec.		195,0	234,0
8. 0 : 50	JP	Balance of payments (quarterly, EURbn)	Febr.		310,0	797,2
4 : 00	CN	Jerome Powell testimony (House Financial Services Comm.)	-		13,9	11,1
4 : 00	CN	Import (yoy, %)	Febr.		9,7	36,9
4 : 00	CN	Trade balance (monthly, billion USD)	Febr.		-5,3	20,3
8 : 00	DE	Industrial orders (mom, %)	Q4		-2,3	3,8
9 : 00	HU	CPI (yoy, %)	Jan.		2,0	2,1
13 : 45	EZ	Interest rate decision (deposit rate, %)	Q4		-0,4	-0,4
14 : 30	US	Initial jobless claims ('000s)	Q4		220,0	210,0
14 : 30	US	Continuing jobless claims	Febr.		-	1931,0
9. 0 : 30	JP	Household spending	Febr.		-1,2	-0,1
2 : 30	CN	CPI (yoy, %)	Q4		2,5	1,5
5 : 00	JP	Interest rate decision (%)	Febr.		-0,1	-0,1
8 : 00	DE	Industrial production (mom, %)	Jan.		0,5	-0,6
8 : 00	DE	Trade Balance	Febr.		20,7	21,4
8 : 45	FR	Industrial production (mom, %)	Jan.		-0,3	0,5
9 : 00	SP	Industrial production (yoy, %)	Jan.		5,1	6,1
9 : 00	CZ	CPI (yoy, %)	Jan.		-	2,2
9 : 00	HU	Trade Balance	Q4		-	513,0
10 : 30	UK	Industrial production (yoy, %)	Jan.		1,5	0,0
10 : 30	UK	Manufacturing production	Febr.		2,8	1,4
14 : 30	US	Non-farm payroll (mom, '000s)	Febr.		190,0	200,0
14 : 30	US	Unemployment rate (%)	Jan.		4,0	4,1
14 : 30	US	Nominal wages, MoM	Dec.		0,2	0,3
14 : 30	US	Nominal wages, YoY	Q4		2,8	2,9
14 : 30	US	Average workweek hours	Q4		34,4	34,3
16 : 00	US	Wholesale inventories (mom, %)	Jan.		-	0,6

* preliminary data

Sources: Reuters, OTP Research

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