

Global Daily Report



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Summary

- America's stock markets closed in the red, and Europe's performance was likewise weak.
- The UK's economic outlook is deteriorating, reports found.
- US government bond yields fell.
- The USA released a mixed bag of macroeconomic data

America's stock indices fell on Thursday: the Dow dropped 2.7%, the Nasdaq shed 2.9%, and the S&P500 closed 2.4% down. On top of the pale manufacturing PMI figure, Apple's nose-dive also added to pessimism. The tech giant's stock price plunge more than 9% as the company cut its revenue forecast for the first time in 15 years. CEO Tim Cook blamed the weakness in China's economy. Another loser of the day, Delta Airlines tumbled 8.8% on account of weaker-than-expected sales revenue in December.

Trading sentiment was likewise sour in Europe, where the FTSE100 sank 0.6%, the Stoxx600 slipped 1%, and the DAX lost 1.6%. The technology sector took the hardest hit: Ams nose-dived 23.2%, Dialog Semiconductor dived 9.8%, and Infineon Technologies slid 4.5%.

In the UK services sector, domestic sales fell to a two-year low, the British Chambers of Commerce (BCC) quarterly economic survey found. The balance of firms reporting increased domestic sales fell from +22 in Q3 to +18 in the fourth quarter. Those reporting improved domestic orders dropped from +17 to +14. The picture is just as gloomy in the manufacturing sector. Separately, a survey by Ipsos MORI pollster found that 95% of the business leaders of the 500 largest-capitalization companies see Brexit uncertainty as the most important issue facing the UK economy.

US government bond yields fell yesterday. Those on 2Y and 10Y US government bond sank by 11 bps and 14 basis points, respectively. One reason for its decline was the pale ISM manufacturing PMI, which signifies weakening growth outlook in the USA. Therefore investors cannot rule out that the Fed temporarily suspends its tightening cycle.

The EUR appreciated 0.4% against the USD.

On the commodity market, WTI crude jumped 2.5% and Brent closed 2.1% higher. Reasons for the higher crude prices include the dollar's weakening, and the mounting indications that Saudi Arabia may reduce its crude oil output. With equity markets ailing, gold price marched 0.8% higher, for the fifth day in a row.

The USA released a mixed bag of macroeconomic releases yesterday. The December reading of the ISM manufacturing PMI dropped to 54.1, from 59.3 in the previous month. This misses analysts' forecast of 57.9. On the other hand, the December gauge of ADP non-farm payroll grew by 271,000, overshooting the predicted 178,000 figure by a large margin. This was the strongest monthly employment increase since the financial crisis in 2009. Because of the partial government shutdown in America, US construction expenditure and vehicle sales data have not been published.

Today's publications include the eurozone's December inflation data, and important statistics are due out on US labour market.

	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	2447,9	-2,5	-2,4	VIX	25,5	9,6	0	WTI	47,1	1,2	3,7
	DOW	22686,2	-2,8	-2,7	US 2Y	2,39	-11,5	-11	Brent	55,95	1,9	4,0
	Nasdaq100	6147,1	-3,4	-2,9	US 10Y	2,55	-10,8	-14	Gold	1293,6	0,7	0,8
	DAX	10416,7	-1,5	-1,3	GER 2Y	-0,62	-0,8	-3	Silver	15,74	1,4	1,6
	CAC40	4611,5	-1,7	-2,5	GER 10Y	0,15	-2,0	-10	EUR/USD	1,1392	0,4	-0,7
	FTSE 100	6692,7	-0,6	-0,5	PT10Y	1,77	5,1	5	EUR/GBP	0,9019	0,3	0,4
	FTSE MIB	18218,4	-0,6	-0,6	IT 10Y	2,89	19,7	12	EUR/NOK	9,9003	0,1	-0,1
	Stoxx600	333,9	-1,0	-1,1	SP 10	1,44	3,1	2	USD/CAD	1,3487	-0,7	-1,1
	- Banks	111,8	-0,1	-1,1	iTRAXX	93,0	4,1	5,7	AUD/USD	0,7005	0,3	-0,6
	Nikkei 225	19562,0	-2,3	-2,3	JPY 2Y	-0,18	-4,1	-4	USD/JPY	107,65	-1,1	-1,7
	SSEC	2509,7	1,8	0,6	JPY 10Y	-0,04	-3,9	-4	GBP/USD	1,2631	0,2	-1,0
Regional	RTS	1086,8	1,9	1,9	RUS10	8,7	-0,6	-1	USD/RUB	68,692	-0,4	-1,4
	WIG20	2247,22	-2,4	-1,3	POL 10	2,7	-1,2	-5	EUR/PLN	4,29	0,0	0,1
	PX50	990,1	0,1	0,4	CZ10	1,7	-3,9	-11	EUR/RON	4,660	0,1	0,2
Hungary	BUX	39673	-0,2	1,4	3M DKJ	0,07	-0,1	0	EUR/HUF	321,11	-0,3	0,1
	OTP	11500	-0,3	1,9	1Y	0,44	0,0	-1	USD/HUF	281,81	-0,7	0,7
	MOL	3086	-0,3	0,3	3Y	1,23	1,4	-2	CHF/HUF	285,53	-0,4	0,0
	MTelekom	447	1,4	1,6	5Y	2,34	-9,0	-19	PLN/HUF	74,77	-0,3	0,2
	Richter	5560	0,0	2,4	10Y	2,78	-7,8	-26	GBP/HUF	356,03	-0,5	-0,1

* 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.
2019 1. 2.	9 : 00	HU Unemployment rate (%)	Nov	3,6	-	3,7
	9 : 00	HU Manufacturing PMI (points)	Dec	54,2	-	53,5
3.	8 : 00	TR Inflation (yoy, %)	Dec	20,3	20,5	21,6
	9 : 00	HU Balance of general government sector (GDP %)	Q3	-0,7	-	-0,1
	14 : 15	US ADP non-farm employment (mom, '000s)	Dec	271,0	178,0	155,0
	14 : 30	US Continuing jobless claims ('000s)	weekly	1740,0		1 708
	14 : 30	US Initial jobless claims ('000s)	weekly	231,0	220	221
	16 : 00	US Construction expenditure (mom, %)	Nov		0,2	-0,1
	16 : 00	US ISM Manufacturing PMI (points)	Dec	54,1	57,9	59,3
	21 : 30	US Vehicle sales (annualized monthly, million)	Dec		17,2	17,5
4.	9 : 00	HU Industrial producer prices (yoy, %)	Nov		-	6,4
	11 : 00	EZ CPI (flash, yoy, %)	Dec		1,8	1,9
	11 : 00	EZ Core CPI (flash, yoy, %)	Dec		1,0	1,0
	14 : 30	US Unemployment rate (%)	Dec		3,7	3,7
	14 : 30	US Average earnings (yoy, %)	Dec		3,0	3,1
	14 : 30	US Average earnings (mom, %)	Dec		0,3	0,2
	14 : 30	US Non-farm payroll (mom, '000s)	Dec		178	155

* preliminary data

Sources: Reuters, OTP Research

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