

Global Daily Report



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Summary

- The Fed statement's cautious tone gave impetus to US stock markets.
- Lots of uncertainties continue to surround Brexit.
- The USD weakened against the key currencies.
- The first estimate on the eurozone's Q4 GDP growth is due out today..

In Wednesday's meeting the Fed left fed fund rates unchanged at 2.25-2.5%, as expected, but its subsequent press release pointed out that, in the light of international economic and financial events, central bankers will be flexible in reducing the Fed's balance sheet and be 'patient' in making decision about interest rates. In an important change in the language, America's economic growth was this time described as 'solid' rather than 'strong'. Markets welcomed the Fed's dovish announcement, interpreting it as a hint that there will be no interest rate hikes this year.

Benefiting from a string of cheering corporate earnings reports, the restarting trade talks with China, and a particularly cautious tone in the Fed's communication, US stock markets grew briskly, ending the day with strong gains. The winners of the day, Boeing and Apple soared more than 6% each, as the Q1 earnings report of the former surpassed analysts' expectations, while the tech giant delivered on its promises made after a profit warning earlier this January. Tesla's earnings figures, published after market hours, have beaten expectations on the revenue line but its earnings per share missed predictions. The better-than-expected figures in Facebook's and Microsoft's earnings reports bode well for the tech sector today.

Europe remained loud with Brexit-related reports. On Tuesday Theresa May won parliamentary support to seek changes, over the Irish border backstop, to her withdrawal agreement with the EU – but Europe's leaders made it clear that re-opening talks was not an option. In Europe, London's FTSE100 was the best performer (+1.5%); second to it was Paris' CAC40 (1%) benefiting from the morning's release of cheering data on France's GDP growth, while in Frankfurt Germany's DAX sank into the red, dragged down by the ailing financial sector, car manufacturers, and utility companies.

Ending the sideways moves, the EUR/USD shot up after the Fed's communication came out; it closed at 1.15. The yen also regained some lost ground from the dollar (USD/JPY: 109.03). In the EUR/GBP pair, the euro took the upper hand yesterday.

In commodities, WTI crude rose by 1.7%, to USD 54.2, while Brent erased intraday gains, to close nearly flat. The most important industrial and precious metal prices have increased.

This morning's buoyant trading in Asia echoed Wednesday's optimism on American markets. The yen's appreciation against the greenback continued.

Today's most important statistical release is the eurozone's GDP reading for the fourth quarter of 2018. The first estimate, which is based on limited data base, suggests that the bloc's economy may have expanded by 1.2% year/year and 0.2% quarter/quarter. The fact that this morning Germany released surprisingly weak retail sales data for December makes the EZ publication even more exciting.

	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	2681,1	1,6	6,9	VIX	17,7	-7,7	-31	WTI	54,5	2,2	20,0
	DOW	25014,9	1,8	7,2	US 2Y	2,53	-4,3	3	Brent	61,65	0,5	14,6
	Nasdaq100	6807,9	2,6	7,6	US 10Y	2,70	-1,7	0	Gold	1319,5	0,6	2,9
	DAX	11181,7	-0,3	5,9	GER 2Y	-0,56	1,1	3	Silver	16,06	1,4	3,8
	CAC40	4974,8	0,9	5,2	GER 10Y	0,19	-1,1	-6	EUR/USD	1,1477	0,4	0,1
	FTSE 100	6941,6	1,6	3,2	PT10Y	1,67	-0,1	-5	EUR/GBP	0,8749	0,0	-2,6
	FTSE MIB	19771,6	0,4	7,9	IT 10Y	2,60	-3,4	-17	EUR/NOK	9,6715	-0,4	-2,4
	Stoxx600	358,5	0,4	6,2	SP 10	1,27	2,4	-16	USD/CAD	1,3147	-0,9	-3,6
	- Banks	120,8	0,3	6,8	iTRAXX	73,4	-2,2	-16,6	AUD/USD	0,7246	1,3	2,8
	Nikkei 225	20784,5	1,1	3,8	JPY 2Y	-0,17	-0,8	-3	USD/JPY	109,02	-0,3	-0,5
SSEC	2582,3	0,3	3,5	JPY 10Y	0,00	-0,5	0	GBP/USD	1,3116	0,4	2,8	
Regional	RTS	1199,0	0,6	12,5	RUS10	8,3	-0,5	-5	USD/RUB	65,360	-1,0	-6,2
	WIG20	2357,79	-0,7	3,6	POL 10	2,8	-1,9	-3	EUR/PLN	4,28	-0,3	-0,2
	PX50	1035,0	0,5	4,9	CZ10	1,8	-0,1	-8	EUR/RON	4,746	-0,3	2,0
Hungary	BUX	40863	-0,7	4,4	3M DKJ	0,15	0,0	8	EUR/HUF	315,43	-0,5	-1,7
	OTP	11470	-1,5	1,6	1Y	0,44	0,0	-1	USD/HUF	274,71	-0,9	-1,8
	MOL	3292	0,1	7,0	3Y	1,21	0,9	-5	CHF/HUF	277,11	-0,7	-2,9
	MTelekom	473	0,5	7,5	5Y	2,42	0,0	-11	PLN/HUF	73,72	-0,1	-1,2
	Richter	5785	-0,6	6,5	10Y	2,84	-2,3	-20	GBP/HUF	361,62	-0,9	1,5

* 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.
2019 1. 29.	14 : 00	HU Interest rate decision (%)	Jan	0,9	0,9	0,9
	15 : 00	US Case-Shiller Home Price Index (yoy, %)	Nov	4,7	4,9	5,0
	16 : 00	US Consumer confidence (point)	Jan	120,2	124,7	126,6
	20 : 00	UK Brexit vote (UK Parliament)	-	-	-	-
30.	7 : 30	FR GDP (preliminary, qoq, %)	Q4	0,3	0,2	0,4
	9 : 00	HU Unemployment rate (%)	Dec	3,6	-	3,6
	10 : 00	HU Aggregated real house price index (Nat. Bank of Hungary)	Q3	146,6	-	142,8
	11 : 00	EZ EC Economic Sentiment Index (points)	Jan	106,2	106,8	107,3
	14 : 00	DE CPI (flash, yoy, %)	Jan	1,4	1,6	1,7
	14 : 15	US ADP non-farm employment (mom, '000s)	Jan	213,0	178,0	271,0
	14 : 30	US GDP (preliminary, annualized qoq, %)	Q4		2,6	3,4
	16 : 00	US Pending home sales (mom, %)	Dec	-2,2	0,5	-0,7
	20 : 00	US Interest rate decision (%)	Jan	2,25-2,5	2,25-2,5	2,25-2,5
31.	2 : 00	CN NBS non-Manufacturing PMI (points)	Jan	54,7	-	53,8
	2 : 00	CN NBS Manufacturing PMI (points)	Jan	49,5	49,3	49,4
	8 : 00	DE Retail sales (mom, %)	Dec	-4,3	-0,6	1,4
	9 : 00	HU Industrial producer prices (yoy, %)	Dec		-	5,1
	9 : 00	ES GDP (preliminary, qoq, %)	Q4		0,6	0,6
	11 : 00	IT GDP (preliminary, qoq, %)	Q4		-0,1	-0,1
	11 : 00	EZ GDP (preliminary, yoy, %)	Q4		1,2	1,6
	11 : 00	EZ GDP (preliminary, qoq, %)	Q4		0,2	0,2
	11 : 00	EZ Unemployment rate (%)	Dec		7,9	7,9
	14 : 30	US Personal income (mom, %)	Dec		0,5	0,2
	14 : 30	US Personal consumption (adjusted, mom, %)	Dec		0,3	0,4
	14 : 30	US Continuing jobless claims ('000s)	weekly		-	1 713
	14 : 30	US Initial jobless claims ('000s)	weekly		215,0	199
	15 : 45	US Chicago PMI (points)	Jan		61,5	65,4

* preliminary data

**Because of the US government shutdown, the release of some US data can be delayed.

Data	Cd.**	Event/Data	Period	Fact	Cons.	Prev.
2. 1. 1 : 30	JP	Nikkei Manufacturing PMI (points)	Jan		-	50,0
9 : 00	HU	Trade balance (detailed, monthly, EUR mn)	Nov		-	496,0*
9 : 00	HU	Manufacturing PMI (points)	Jan		-	54,2
11 : 00	EZ	CPI (flash, yoy, %)	Jan		1,4	1,6
11 : 00	EZ	Core CPI (flash, yoy, %)	Jan		1,0	1,0
14 : 30	US	Unemployment rate (%)	Jan		3,9	3,9
14 : 30	US	Average earnings (yoy, %)	Jan		3,2	3,2
14 : 30	US	Average earnings (mom, %)	Jan		0,3	0,4
14 : 30	US	Non-farm payroll (mom, '000s)	Jan		165,0	312,0
16 : 00	US	ISM Manufacturing PMI (points)	Jan		54,2	54,1
16 : 00	US	Construction expenditure (mom, %)	Dec		0,2	
21 : 30	US	Vehicle sales (annualized monthly, million)	Jan		17,2	17,6
2019.01.28-02.01	US	Construction expenditure (mom, %)	Nov		0,2	-0,1
2019.01.28-02.01	US	Business inventories (mom, %)	Nov		0,3	0,6
2019.01.28-02.01	US	Building permits (annualized monthly, '000s)	Dec		1290	
2019.01.28-02.01	US	Housing starts (annualized monthly, '000s)	Dec		1254	1256
2019.01.28-02.01	US	Retail sales (yoy, %)	Dec		0,2	0,2
2019.01.28-02.01	US	Durable goods orders (mom, %)	Dec		1,8	
2019.01.28-02.01	US	Factory orders (mom, %)	Nov		0,2	-2,1
2019.01.28-02.01	US	New home sales (annualized monthly, '000s)	Nov		560	544
2019.01.28-02.01	US	Federal budget balance (USDbn)	Dec		-12,0	-205,0

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Sources: Reuters, OTP Research

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