

# Global Daily Report



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## Summary

- Despite the cheering news on trade talks, US stock indices ended with losses yesterday.
- The US dollar's strengthening continued, crude prices have risen

Europe's stock markets started the week optimistically as the positive expectations surrounding the Sino-American trade talks sent Asia's and Europe's benchmarks higher. But as the initial optimism faded, the DAX dipped 0.1%, the Stoxx600 edged 0.2% higher, while the FTSE preserved only 0.4% gain. German car manufacturers' stock price reversed, while Britain's mining companies closed mixed.

Investors' optimism vanished by the end of the day. In America the Dow fell 0.8%, the S&P500 dropped 0.4%, while the Nasdaq100 stagnated on Monday. In the S&P, the health care, financials, industry, and technology sectors booked the most painful losses. The positive expectations surrounding Sino-American talks benefited basic material companies in particular; another outperformer was the real property sector. Missing expectations of a small rise, US construction expenditure shrank 0.6% year/year in December, the US Department of Commerce said yesterday. Over 2018, spending on private homes expanded by 3.3%, in the weakest growth rate since 2011.

The US dollar preserved its power despite US President Donald Trump's tweet that he found the US too strong. The Bloomberg Dollar Spot Index inched up 0.1%, and the EUR/USD rose by 0.3%, to 1.1337. The pound shed 0.1% as little headway was made in Brexit ahead of the UK parliament's final vote on 12 March. Prime Minister Theresa May announced a GBP 1.6 billion plan to support the poorer regions of the United Kingdom. The talks to amend the Brexit deal between the UK and the EU continue today.

Crude oil prices have increased, with Brent growing 0.9% and WTI surging 1.4%. Reasons include trade developments and, in part, OPEC's slight cut in supply. Gold and silver prices did not budge. In industrial metals, copper futures in London fell more than 1%.

Today the USA will release services sector PMI for February, and new home sales data in December.

The highlights of this week include the ECB's rate decision on Thursday, and the batch of US labour market data on Friday.

In China, the National People's Congress began today. The government set a GDP growth target of 6-6.5% for this year, lowering the previous target. It also announced cutting VAT by 3 percentage points in the highest bracket.

Asia's stock indices performed mixed this morning – Japan's and South Korea's benchmarks were seen in the red, while mainland China and Hong Kong were climbing higher.

	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	2792,8	-0,4	11,4	VIX	14,6	7,8	-42	WTI	56,6	1,4	24,6
	DOW	25819,7	-0,8	10,7	US 2Y	2,55	-1,4	5	Brent	65,67	0,9	22,1
	Nasdaq100	7150,8	0,0	13,0	US 10Y	2,72	-3,3	3	Gold	1286,4	-0,5	0,3
	DAX	11592,7	-0,1	9,8	GER 2Y	-0,53	-0,2	6	Silver	15,07	-0,8	-2,6
	CAC40	5286,6	0,4	11,8	GER 10Y	0,16	-2,8	-9	EUR/USD	1,1337	-0,3	-1,2
	FTSE 100	7134,4	0,4	6,0	PT10Y	1,47	-3,3	-26	EUR/GBP	0,8603	0,0	-4,2
	FTSE MIB	20718,3	0,1	13,1	IT 10Y	2,74	0,3	-4	EUR/NOK	9,8028	0,5	-1,0
	Stoxx600	375,1	0,2	11,1	SP 10	1,18	-3,0	-24	USD/CAD	1,3302	0,1	-2,5
	- Banks	121,9	-0,5	7,9	iTRAXX	61,1	-2,2	-30,5	AUD/USD	0,7092	0,2	0,6
	Nikkei 225	21726,3	-0,4	8,6	JPY 2Y	-0,14	0,2	0	USD/JPY	111,74	-0,1	2,0
	SSEC	3054,2	0,9	22,5	JPY 10Y	0,00	0,1	0	GBP/USD	1,3186	-0,1	3,4
Regional	RTS	1185,8	-0,1	11,2	RUS10	8,4	0,0	-4	USD/RUB	65,732	-0,3	-5,7
	WIG20	2328,05	-0,2	2,3	POL 10	2,9	-0,8	4	EUR/PLN	4,30	-0,1	0,2
	PX50	1078,7	0,3	9,3	CZ10	1,9	-0,5	-1	EUR/RON	4,737	-0,1	1,8
Hungary	BUX	40593	1,1	3,7	3M DKJ	0,18	5,9	11	EUR/HUF	315,53	-0,2	-1,7
	OTP	12000	1,5	6,3	1Y	0,44	-1,0	-1	USD/HUF	278,32	0,1	-0,5
	MOL	3250	1,2	5,6	3Y	1,06	1,1	-20	CHF/HUF	279,10	0,4	-2,2
	MTelekom	470	0,3	6,7	5Y	2,35	0,0	-18	PLN/HUF	73,43	0,0	-1,6
	Richter	5280	0,2	-2,8	10Y	2,80	0,1	-24	GBP/HUF	367,93	0,2	3,3

\* 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.
2019 3. 4. 8 : 00	TR	Inflation (yoy, %)	Feb	19,7	19,9	20,4
9 : 00	HU	Trade balance (detailed, monthly, EUR mn)	Dec	393	-	398*
10 : 30	EZ	Sentix Investor confidence (points)	Mar	-2	-3	-4
16 : 00	US	Construction expenditure (mom, %)	Dec	-0,6	0,2	0,8
5. 9 : 00	HU	Retail sales (first estimate, yoy, %)	Jan		-	3,7
11 : 00	EZ	Jerome Powell's Senate hearing	Jan		1	-2
16 : 00	US	ISM non-Manufacturing PMI (points)	Feb		57	56,7
16 : 00	US	New home sales (annualized monthly, '000s)	Dec		593,0	657,0
20 : 00	US	Federal budget balance (USDbn)	Jan			-14,0
6. 12 : 00	TR	Interest rate decision (%)	Mar		24,0	24,0
14 : 00	PL	Jerome Powell's Senate hearing	Mar		1,5	1,5
14 : 15	US	Donald Trump Kim Jong Un meet in Vietnam (2 days)	Feb		190	213
20 : 00	US	Fed Beige Book	Mar		-	-
7. 9 : 00	HU	Industrial production (preliminary, yoy, %)	Jan		-	5,4
10 : 00	HU	International reserves (preliminary, EURbn)	Feb		-	26,6
10 : 00	EZ	Interest rate decision (deposit rate, %)	Mar		0,0	0,0
10 : 00	EZ	Interest rate decision (lending rate, %)	Mar		-0,4	-0,4
11 : 00	EZ	GDP (detailed, yoy, %)	Q4		1,2	1,2*
11 : 00	EZ	GDP (detailed, qoq, %)	Q4		0	0,2*
14 : 30	US	Continuing jobless claims ('000s)	weekly			1805
14 : 30	US	Initial jobless claims ('000s)	weekly			225,0
8. 0 : 50	JP	GDP (detailed, qoq, %)	Q4		-0,5	0,3
8 : 00	DE	Industrial orders (mom, %)	Jan		0,4	-1,6
9 : 00	HU	Inflation (yoy, %)	Feb		3	3
9 : 00	HU	Core inflation (yoy, %)	Feb			3,2
11 : 00	HU	Fiscal balance (monthly, billion HUF)	Feb			244,5
14 : 30	US	Unemployment rate (%)	Feb		3,9	4,0
14 : 30	US	Average earnings (yoy, %)	Feb		3,3	3,2
14 : 30	US	Average earnings (mom, %)	Feb		0,3	0,1
14 : 30	US	Non-farm payroll (mom, '000s)	Feb		185,0	304,0
20 : 00	US	Speech of Fed Jerome Powell (SIEPR Economic Meeting)	-		-	-

\*preliminary data

Sources: Reuters, OTP Research

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