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Summary

- Western Europe's and America's leading indices closed in positive territory on Friday; the Dow practically flat-lined.
- The earnings figures of the Bank of America and JP Morgan marked the beginning of the banking reports season; their updates made investors optimistic about the banking sector's performance.
- Moody's is to pay USD 864 million fine to the US Department of Justice.
- Investors holding GBP positions are waiting for Theresa May's Tuesday speech on Brexit.

Stock markets on both sides of the Atlantic closed with gains on Friday, only the Dow edged 0.03% down. Banking shares fuelled the rally, as the Bank of America's Q4 report launched banks' earnings report season. The BoA's earnings per share (USD 0.40) has beaten analysts' forecast (USD 0.38), but its revenue caused slight disappointment. Another cause for optimism on Friday was JP Morgan's flash report, which printed stronger-than-expected profit growth figures. These data make investors assume that banks closed a more successful quarter than a year earlier. Pharmaceuticals also recovered from their two-day wobble that began after Donald Trump's press conference, which came with heavy criticism of pharmaceutical companies' policies. Carmakers also fared well on Friday. Today, Martin Luther King Day, is a federal holiday in the USA.

The US Department of Justice imposed USD 864 million fine on Moody's, accusing the rating agency of overrating a number of mortgage-backed securities in the run-up to the 2008 crisis. Last year the S&P was fined USD 1.5 billion for the same reason.

Asia's major indices closed in the red this morning.

Crude futures dropped near 1%: the WTI traded at 52.5 USD/barrel, and the Brent stood at 55.6 at the end of Friday. Precious and industrial metal prices both ended stronger, with the largest move seen on zinc's market (+1.7%).

The US dollar slightly dropped against the euro (EUR/USD: 1.06) and the yen (USD/JPY: 114.55) on Friday. After the pound's weakening on Thursday, the EUR/GBP closed flat on Friday. Investors are waiting for Theresa May's Tuesday speech on Brexit talks, due at the end of May. In an interview last week, Theresa May hinted at the possibility of 'hard Brexit'.

US government bond yields inched down, and Europe's yields moved in mixed directions.

This week investors may be awaiting the US December inflation figures, and the ECB's rate decision. But the inauguration of the USA's 45th president will be undoubtedly the most important event of the week.

	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	2274,6	0,2	1,6	VIX	11,2	-0,3	-20	WTI	52,37	-1,2	-3
	DOW	19885,7	0,0	0,6	US 2Y	1,19	2,0	0	Brent	54,94	-0,4	-1
	Nasdaq100	5059,5	0,4	4,0	US 10Y	2,40	3,3	-5	Arany	1205,5	0,7	5
	DAX	11629,2	0,9	1,3	GER 2Y	-0,72	-1,1	4	Ezüst	16,89	0,4	6
	CAC40	4922,5	1,2	1,2	GER 10Y	0,32	-2,3	11	EUR/USD	1,0612	-0,3	0,9
	FTSE 100	7337,8	0,6	2,7	PT10Y	3,93	2,4	17	EUR/GBP	0,8834	-1,3	-3
	FTSE MIB	19514,5	1,9	1,5	IT 10Y	1,93	2,9	11	EUR/NOK	9,0340	0,1	0,6
	Stoxx600	365,9	0,9	1,3	SP 10	1,44	1,1	6	USD/CAD	1,3127	-0,1	2,4
	- Banks	175,4	2,0	3,0	iTRAXX	119,4	0,1	0	AUD/USD	0,7474	-0,4	3,7
	Nikkei 225	19095,2	-1,0	-0,1	JPY 2Y	-0,22	0,4	-4	USD/JPY	113,92	0,5	3
	SSEC	3103,4	-0,3	0,0	JPY 10Y	0,06	0,5	1	GBP/USD	1,2012	-1,4	-3
Regional	RTS	1160,5	0,2	0,7	RUS10	4,34	3,1	-12	USD/RUB	59,567	0,2	3
	WIG20	2015,89	-0,3	3,5	POL 10	3,66	0,4	3	EUR/PLN	4,3749	0,3	0,7
	PX50	930,4	0,2	1,0	CZ10	0,35	0,4	-9	EUR/RON	4,4970	0,0	0,9

* In the case of bond yields, the change is in basispoint instead of percentage (VIX and ITRAXX not included).

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2017 1. 16.	9 : 00 HU	Construction output (yoy, %)	Nov.		-	-12,8
	17. 2 : 45 UK	CPI (yoy, %)	Dec.		50,7	50,9
	11 : 00 DE	ZEW Economic Sentiment (points)	Jan.		16,5	13,8
	14 : 30 US	New York Fed Manufacturing index (points)	Jan.		10,0	9,0
	21 : 30 US	Janet Yellen speech	Jan.		-	-
18.	8 : 00 DE	CPI (final, yoy, %)	Dec.		1,7	1,7*
	11 : 00 EZ	CPI (final, yoy, %)	Dec.		1,1	1,1*
	14 : 30 US	CPI (yoy, %)	Dec.		2,1	1,7
	14 : 30 US	CPI (mom, %)	Dec.		0,3	0,2
	14 : 30 US	core-CPI (yoy, %)	Dec.		2,2	2,1
	14 : 30 US	core-CPI (yoy, %)	Dec.		0,2	0,2
	15 : 15 US	Industrial production (mom, %)	Dec.		0,4	-0,4
	20 : 00 US	Beige Book	Jan.		-	-
19.	13 : 45 EZ	Interest rate decision (lending rate, %)	Jan.		0,0	0,0
	13 : 45 EZ	Interest rate decision (deposit rate, %)	Jan.		-0,4	-0,4
	14 : 00 PL	Retail sales (yoy, %)	Dec.		6,1	6,6
	14 : 30 US	Building permits (annualized monthly, '000s)	Dec.		1220	1212
	14 : 30 US	New home sales (annualized monthly, '000s)	Dec.		1195	1090
20.	3 : 00 CN	Industrial production (yoy, %)	Dec.		6,1	6,2
	3 : 00 CN	Retail sales (yoy, %)	Dec.		10,7	10,8
	3 : 00 CN	Infrastructural spending (yoy, %)	Dec.		8,3	8,3
	3 : 00 CN	GDP (preliminary, qoq, %)	Q4		1,7	1,8
	3 : 00 CN	GDP (preliminary, yoy, %)	Q4		6,7	6,7
	9 : 00 HU	Gross wages (yoy, %)	Nov.		-	5,4
	10 : 30 UK	Retail sales (mom, %)	Dec.		0,2	0,2

*preliminary data

Source: Reuters, OTP Research

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