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Summary

- In the sustained negative sentiment on stock markets, Europe and America both sagged.
- Another US government official talked down the dollar.
- Europe's economic growth and inflation picked up.

Stock markets were rather unenthusiastic on Tuesday, and even the favourable string of European macro statistics could not cheer up investors. The key stock indices closed in the red; Tuesday's stagnation made the BUX an outperformer. On Tuesday morning Europe was heading higher, but the weak US macro indicators and the concerns about the Trump era soured the sentiment in the afternoon. In America, the tech sector headed the fall while health care names made gains, benefiting from President Trump's promise to loosen regulations. That said, he also expects lower drug prices, which may worsen their profitability.

One of Tuesday's outperformers, H&M jumped more than 5% after publishing a favourable earnings report. By contrast, the sports apparel manufacturer Under Armour shrank 25% as there was no strength in its quarterly figures; moreover its CFO resigned. UPS's profit expectations were dented by the strong USD, and its share price reversed 6%. Siemens has improved its profit outlook; projecting EUR 7.2-7.7 earnings per share this year, instead of EUR 6.8-7.2. Apple's Q4 profit figures, released after trading hours on Tuesday, have topped analysts' expectations.

The tendency that began a few weeks ago with Donald Trump's or a US government official's remarks on the strength of the greenback, thus causing dollar weakening, continued yesterday. This time it was National Trade Council head Peter Navarro who said to the Financial Times that the euro was undervalued. His words triggered 1% dollar depreciation, pushing the EUR/USD to 1.08.

US government bond yields edged down, and the 10Y Bund yield stayed flat.

Oil prices edged higher yesterday. Gold's rally continued – since Donald Trump's immigration ban its price has grown by 1.5%.

Tuesday's raft of data signified that the recovery of Europe's economy is on more and more stable footing. The eurozone economy's growth accelerated to 1.8% in the fourth quarter, and December unemployment fell stronger than had been thought. Inflation in the eurozone surged to 1.8% chiefly because the turnaround in oil prices; core inflation remained at 0.9%. In America, the Chicago purchasing managers' index and the consumer confidence index both missed expectations. Today's most important event, the Fed's rate decision, is expected to keep interest rates on hold. Therefore the post-meeting statement is worth a closer look. A new bunch of data on the US economy's health is due out today. Elsewhere, the European Commission is to publish its fresh macroeconomic forecast for EU member states.

	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	2278,9	-0,1	1,8	VIX	12,0	0,9	-15	WTI	52,81	0,3	-2
	DOW	19864,1	-0,5	0,5	US 2Y	1,20	-0,8	1	Brent	55,70	0,9	-2
	Nasdaq100	5116,8	-0,2	5,2	US 10Y	2,45	-3,2	2	Gold	1210,5	1,3	5
	DAX	11535,3	-1,3	0,5	GER 2Y	-0,70	-2,2	10	Silver	17,53	2,5	10
	CAC40	4748,9	-0,7	-2,3	GER 10Y	0,44	-0,9	23	EUR/USD	1,0795	1,0	2,7
	FTSE 100	7099,2	-0,3	-0,6	PT10Y	4,19	-3,3	43	EUR/GBP	0,8583	0,2	1
	FTSE MIB	18590,7	-0,9	-3,3	IT 10Y	2,27	-4,8	45	EUR/NOK	8,9010	0,1	-2,0
	Stoxx600	360,1	-0,7	-0,4	SP 10	1,59	-3,6	20	USD/CAD	1,3028	-0,7	-3,0
	- Banks	139,8	0,0	4,2	iTRAXX	73,5	1,9	2	AUD/USD	0,7583	0,4	5,1
	Nikkei 225	19041,3	-1,7	0,4	JPY 2Y	-0,22	-2,0	-4	USD/JPY	112,78	-0,9	-3
	SSEC	3159,2	0,0	1,8	JPY 10Y	0,09	0,6	5	GBP/USD	1,2577	0,8	2
Regional	RTS	1164,2	-1,0	1,0	RUS10	8,18	-0,6	-2	USD/RUB	60,097	0,4	-2
	WIG20	2056,83	0,3	5,6	POL 10	3,89	-2,1	7	EUR/PLN	4,3198	-0,3	-1,9
	PX50	932,5	0,2	1,2	CZ10	0,46	4,8	-1	EUR/RON	4,4996	0,1	-0,8

* 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. 30.	9 : 00 ES	GDP (preliminary, mom, %)	Q4	0,7	-	0,7
	2 : 45 HU	Unemployment rate (%)	Dec.	4,4	50,7	50,9
	14 : 00 DE	CPI (preliminary, yoy, %)	Jan.	1,9	2,0	1,7
	14 : 30 US	Personal income (mom, %)	Dec.	0,3	0,4	0,0
	14 : 30 US	Personal income (adjusted, mom, %)	Dec.	0,3	0,4	0,2
	16 : 00 US	Pending home sales (mom, %)	Dec.	1,6	0,6	-2,5
31.	5 : 00 JP	Interest rate decision (%)	Jan.	-0,1	-0,1	-0,1
	7 : 30 FR	GDP (preliminary, mom, %)	Q4	0,4	-	0,2
	8 : 00 DE	Retail sales (mom, %)	Dec.	-0,9	1,0	-1,8
	9 : 00 HU	Industrial producer prices (yoy, %)	Dec.	0,5	-	-0,5
	9 : 00 EZ	Conference of the EC and ECB (Sppech by Mario Draghi)	Jan.		-	-
	10 : 00 PL	GDP (annualized, preliminary, yoy)	2017	2,8	2,7	3,9
	11 : 00 EZ	CPI (preliminary, yoy, %)	Jan.	1,8	1,6	1,1
	11 : 00 EZ	Consumer confidence (points)	Jan.	4,5	0,9	0,9
	11 : 00 EZ	Unemployment rate (%)	Dec.	9,6	9,8	9,8
	11 : 00 EZ	GDP (preliminary, yoy, %)	Q4	1,8	1,7	1,7
	11 : 00 EZ	GDP (preliminary, mom, %)	Q4	0,5	0,5	0,3
	15 : 00 US	Case-Shiller Home Price Index (yoy, %)	Nov.	5,3	5,1	5,1
	15 : 45 US	Chicago PMI (points)	Jan.	50,3	55,0	54,6
	16 : 00 US	Consumer confidence index (points)	Jan.	111,8	113,0	113,7

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2. 1.	1 : 30	JP Nikkei Manufacturing PMI (points)	Jan.	52,7	-	52,8
	2 : 00	CN NBS Manufacturing PMI (points)	Jan.	51,3	51,2	51,4
	2 : 00	CN NBS non-Manufacturing PMI (points)	Jan.	54,6	-	54,5
	9 : 00	HU Manufacturing PMI (points)	Jan.	56,5	-	52,2
	11 : 00	EU EC's Economic forecast	-		-	-
	14 : 15	US ADP non-farm employment (mom, '000s)	Jan.		168,0	153,0
	16 : 00	US ISM Manufacturing PMI (points)	Jan.		54,5	54,7
	16 : 00	US Construction expenditure (mom, %)	Dec.		0,3	0,9
	20 : 00	US Interest rate decision (%)	Dec.		0,5-0,75	0,5-0,75
	21 : 30	US Vehicle sales (annualized monthly, million)	Jan.		17,7	18,4
2.	9 : 00	HU Trade balance (detailed, monthly, EURmn)	Nov.		-	908,0
	13 : 00	UK Interest rate decision (%)	Dec.		0,3	0,25
	13 : 00	CZ Interest rate decision (%)	Dec.		-	0,05
3.	2 : 45	CN Caixin Manufacturing PMI (points)	Dec.		51,8	51,9
	9 : 00	HU Retail sales (first estimate, yoy, %)	Dec.		-	4,7
	9 : 00	HU MNB's Home price index (aggregate real, 2001Q1 = 100%)	Q3		-	105,3
	11 : 00	EZ Retail sales (mom, %)	Dec.		0,4	-0,4
	14 : 30	US Unemployment rate (%)	Jan.		4,7	4,7
	14 : 30	US Average earnings (yoy, %)	Jan.		2,2	2,9
	14 : 30	US Average earning (mom, %)	Jan.		0,2	0,4
	14 : 30	US Non-farm payroll (mom, '000s)	Jan.		165,0	156,0
	16 : 00	US ISM non-Manufacturing PMI (points)	Jan.		57,0	57,2
	16 : 00	US Factory orders (mom, %)	Dec.		1,7	-2,4
	16 : 00	US Wholesale inventories (revision, mom, %)	Dec.			-4,5

Source: Reuters, OTP Research

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