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Global Daily Report

Summary

- Wednesday's trading in Europe and America was rather mixed.
- The USD's firming stopped.
- The European Commission warned Italy of the size of its budget deficit.
- Germany's Ifo index and US existing home sales both jumped high.

Stock markets were rather directionless on Wednesday. Europe's indices opened higher but ended the day in the red. ThyssenKrupp surged 4.6% on reports to sell its loss-making steel plant in Brazil for USD 1.3 billion, and shift its focus on capital goods production instead. US indices also ended the day mixed; the Dow fell from an intraday high. The weakest names came from the tech sector. The winner of the day was DuPont (4%): according to the Wall Street Journal, the European Commission will not impede its merger planned with Dow Chemical. After market hours, Tesla published its quarterly figures. Its loss was less than analysts had expected; Elon Musk confirmed that the much-awaited new Model3 sedan would be launched in July, as planned. Asia's markets fell; Asian currencies firmed after the minutes of the Fed rate decision had been released, which dragged down indices.

The USD's advance halted on Wednesday, when the yen and the euro regained 0.2% and 0.1% lost ground respectively. The EUR may have benefited from the developments of French election: a centrist candidate, Francois Bayrou stepped back from candidacy, and supports the independent Emmanuel Macron. Meanwhile Marine Le Pen's campaign chief and body guard were questioned by French police on suspicion of misusing funds received from the European Parliament.

US government bond yields mildly rose; Germany's 10Y bund yield inched down. In Italy, the 10Y yield stayed flat despite the European Commission's fresh country report, which warns that the Italian budget's structural balance is deteriorating, and neither is its public debt shrinking this year. Unless Italy's government proposes fiscal adjustment measures by April, the European Commission may re-launch excessive deficit procedure against Italy, which was lifted three years ago.

Commodity prices fell on Thursday, with the Brent dipping 1.4%, below 56 USD/barrel. Later, when reports on shrinking US oil inventories came out, crude prices picked up again.

The macroeconomic figures published on Wednesday were favourable. The growth in Germany's Ifo sentiment indicator has topped expectations. In America, existing home sales hit ten-year highs. The minutes of the latest FOMC meeting suggest that Fed officials were waiting for information on US budget policy, which is making a March rate hike less likely. Somewhat disappointingly, Germany's annual GDP growth was revised down in the detailed data release. Few potentially market-moving statistics will be released today. In the corporate world, the quarterly reports of Baidu, Gap, Hewlett Packard, and Nordstrom (the company that boycotts Ivanka Trump's fashion collection) will see the light of day.

	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	2362,8	-0,1	5,5	VIX	11,7	1,5	-16	WTI	53,59	-1,4	0
	DOW	20775,6	0,2	5,1	US 2Y	1,22	1,7	3	Brent	55,84	-1,4	-2
	Nasdaq100	5352,1	0,0	10,0	US 10Y	2,42	-1,1	-1	Gold	1237,3	0,1	7
	DAX	11998,6	0,3	4,5	GER 2Y	-0,90	-3,6	-10	Silver	18,02	0,5	13
	CAC40	4895,9	0,1	0,7	GER 10Y	0,27	-3,6	6	EUR/USD	1,0555	0,2	0,4
	FTSE 100	7302,3	0,4	2,2	PT10Y	3,97	-2,5	21	EUR/GBP	0,8483	0,4	0
	FTSE MIB	18884,9	-0,8	-1,8	IT 10Y	2,20	-1,7	38	EUR/NOK	8,8322	0,3	-2,8
	Stoxx600	373,4	0,0	3,3	SP 10	1,66	-2,9	26	USD/CAD	1,3162	0,2	-2,0
	- Banks	136,9	-0,1	2,1	ITRAXX	74,3	1,0	3	AUD/USD	0,7702	0,4	6,7
	Nikkei 225	19347,5	0,0	1,4	JPY 2Y	-0,26	0,0	-9	USD/JPY	113,27	-0,4	-3
SSEC	3251,4	-0,3	4,8	JPY 10Y	0,08	-0,9	3	GBP/USD	1,2449	-0,2	1	
Regional	RTS	1146,0	-1,3	-0,5	RUS10	8,21	0,0	-2	USD/RUB	58,005	1,1	-5
	WIG20	2251,02	0,1	15,6	POL 10	3,90	0,9	7	EUR/PLN	4,2943	0,0	-2,5
	PX50	972,7	-0,2	5,5	CZ10	0,68	0,0	45	EUR/RON	4,5136	0,0	-0,5
Hungary	BUX	34113	-0,6	6,6	3M TB	0,19	1	3	EUR/HUF	307,62	0,1	-0,4
	OTP	9341	-0,6	11,2	1Y	0,30	-1	12	USD/HUF	291,48	-0,1	-0,7
	MOL	21025	-0,6	1,9	3Y	1,58	-2	72	CHF/HUF	288,34	-0,2	0,1
	MTelekom	523	0,4	5,0	5Y	2,33	-1	56	PLN/HUF	71,530	-0,1	2,1
	Richter	6606	-1,1	6,4	10Y	3,52	-4	32	GBP/HUF	362,76	-0,3	0

* 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 2. 20.	0 : 50 JP	Import (yoy, %)	jan.	8,5	4,7	-2,6
	0 : 50 JP	Export (yoy, %)	jan.	1,3	4,7	5,4
	9 : 00 HU	Gross wages (yoy, %)	dec.	5,7	-	8,2
	16 : 00 EZ	Consumer confidence (preliminary, point)	febr.	-6,2	-4,9	-4,9
	EZ	Eurogroup meeting (Greek debt talks)	febr.	-	-	-
21.	1 : 30 JP	Nikkei Manufacturing PMI (points)	febr.	53,5	-	52,7
	9 : 00 FR	Markit Service PMI (points)	febr.	56,7	53,8	54,1
	9 : 00 FR	Markit Manufacturing PMI (points)	febr.	52,3	53,5	53,6
	9 : 30 DE	Markit Service PMI (points)	febr.	54,4	53,6	53,4
	9 : 30 DE	Markit Manufacturing PMI (points)	febr.	57,0	56,0	56,4
	10 : 00 EZ	Markit Service PMI (points)	febr.	55,6	53,7	53,7
	10 : 00 EZ	Markit Manufacturing PMI (points)	febr.	55,5	55,0	55,2
	15 : 45 US	Markit Manufacturing PMI (points)	febr.	54,3	55,2	55,0
	15 : 45 US	Markit Service PMI (points)	febr.	53,9	55,7	55,6
22.	10 : 00 DE	IFO Economic sentiment index (points)	febr.		109,7	109,8
	10 : 30 UK	GDP (second estimate, qoq, %)	Q4		0,6	0,6*
	10 : 30 UK	GDP (second estimate, yoy, %)	Q4		2,2	2,2*
	11 : 00 EZ	CPI (final, yoy, %)	jan.		1,8	1,8*
	16 : 00 US	Existing home sales (mom, %)	jan.		5550	5490
	20 : 00 US	FOMC Minutes	jan.		-	-
23.	8 : 00 DE	GDP (second estimate, qoq, %)	Q4		0,4	0,4*
	8 : 00 DE	GDP (second estimate, yoy, %)	Q4		1,7	1,2*
	9 : 00 HU	Retail sales (second estimate, yoy, %)	nov.		-	2,6*
24.	16 : 00 US	New home sales (annualized monthly, '000s)	jan.		568	536
	HU	S&P Credit Rating decision	febr.	-	-	BBB-

Source: Reuters, OTP Research

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