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Global Daily Report

Summary

- In Friday's negative sentiment in Europe, the DAX and CAC40 dropped nearly 1%
- The CEE region was an underperformer, the BUX and the WIG20 fell 2% each
- The USD weakened against the key currencies
- Saudi Aramco may be worth only fifth of what Saudi Arabia had estimated.

In Friday's rather mixed trading sentiment, America's stock markets inched up, and their European peers booked near-1% losses. In the USA, the S&P500 advanced 0.15%, and the NASDAQ100 climbed 0.2% higher. In Europe, the DAX lost 1.2%, the CAC40 shed 0.9%, and the FTSE100 dropped 0.4%. In the underperforming CEE region, the WIG20 and BUX both contracted by 2%. In this morning's rather gloomy trading in Asia, the Nikkei declined 0.5% and the SSEC slid 0.8%.

Analysts attribute Friday's plunge in Europe to the mounting political risks and to Greece's renewed debt problems. The rise in the spread between French and German government bonds is consistent with the escalation of political risks. Banking shares were hit the hardest in Friday's trading; Deutsche Bank and Credit Suisse shrank by 3%.

There was low volatility on currency markets. The USD lost 0.2% versus the EUR, 0.6% and 0.7% against the JPY and the GBP respectively.

Oil prices slipped almost 1%, while precious metal prices rose by 1% in Friday's session. It seems that Saudi Arabia will have to sell its state-owned oil company Saudi Aramco at a much lower price than it had planned. The kingdom had evaluated its oil giant at USD 2,000 billion, but a number of industry analysts find USD 400 billion more realistic. The original plan was to spend the funds from selling 5% of the firm on replenishing the investment fund that would have ensured maintaining the current standard of living after oil revenues drop (from 2030).

China's stock market watchdog announced plans to encourage foreign companies to enter the country's stock markets, thus helping economic growth. Moreover, foreign investors will be allowed to buy bigger-than-before stakes in China's listed companies.

VW sold 10.3 million vehicles in 2016, its quarterly report revealed. Despite the diesel emission scandal, this is 3.7% upsurge. The carmaker's revenue was up 2%, at EUR 217 billion. Its profit without one-off items jumped by 14%, to EUR 14.6 billion, helping its operating margin surge to 6.7%. The management proposed to pay 2 EUR/ordinary shares, and EUR 2.06 to preferred stock holders. The management pencilled in moderate increase in sales in 2017, and forecasts underlying operating margin of 6-7%.

	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	2367,3	0,1	5,7	VIX	11,5	-2,0	-18	WTI	53,99	-0,8	1
	DOW	20821,8	0,1	5,4	US 2Y	1,15	-4,7	-5	Brent	55,99	-1,0	-1
	Nasdaq100	5343,3	0,2	9,9	US 10Y	2,32	-7,1	-12	Gold	1256,6	0,6	9
	DAX	11804,0	-1,2	2,8	GER 2Y	-0,95	-4,6	-16	Silver	18,35	1,0	15
	CAC40	4845,2	-0,9	-0,4	GER 10Y	0,19	-5,0	-2	EUR/USD	1,0560	-0,2	0,4
	FTSE 100	7243,7	-0,4	1,4	PT10Y	3,89	-6,3	13	EUR/GBP	0,8475	0,6	-1
	FTSE MIB	18596,7	-1,2	-3,3	IT 10Y	2,18	-3,5	35	EUR/NOK	8,8478	0,3	-2,6
	Stoxx600	370,0	-0,8	2,4	SP 10	1,70	-8,4	30	USD/CAD	1,3090	-0,1	-2,5
	- Banks	133,9	-1,6	-0,2	iTRAXX	75,2	1,5	4	AUD/USD	0,7669	-0,6	6,3
	Nikkei 225	19283,5	-0,5	-0,9	JPY 2Y	-0,27	-0,2	-9	USD/JPY	112,18	-0,3	-4
SSEC	3228,7	-0,8	4,0	JPY 10Y	0,05	-1,1	0	GBP/USD	1,2465	-0,7	1	
Regional	RTS	1129,1	-1,5	-2,0	RUS10	8,21	0,0	-2	USD/RUB	58,472	1,2	-5
	WIG20	2212,04	-1,9	13,6	POL 10	3,83	-0,1	5	EUR/PLN	4,3086	0,2	-2,2
	PX50	960,1	-1,2	4,2	CZ10	0,60	-0,8	29	EUR/RON	4,5213	0,1	-0,3
Hungary	BUX	32886	-2,0	2,8	3M TB	0,18	0	2	EUR/HUF	308,23	-0,1	-0,2
	OTP	8735	-2,8	4,0	1Y	0,31	1	13	USD/HUF	291,75	0,0	-0,6
	MOL	20865	-0,2	1,1	3Y	1,55	0	69	CHF/HUF	289,53	-0,1	0,6
	MTelekom	490	-2,6	-1,6	5Y	2,30	0	53	PLN/HUF	71,370	-0,5	1,9
	Richter	6511	-2,5	4,8	10Y	3,46	-2	26	GBP/HUF	364,00	-0,6	1

* 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. 27.	9 : 00 HU	Unemployment rate (%)	Jan.		-	4,4
	11 : 00 EZ	EC Economic Sentiment Index (points)	Febr.		108,0	107,9
	14 : 30 US	Durable goods orders (mom, %)	Jan.		1,9	-0,5
	16 : 00 US	Pending home sales (mom, %)	Jan.			1,6
28.	8 : 00 DE	Retail sales (mom, %)	Jan.		0,3	-0,9
	9 : 00 HU	Investment (yoy, %)	Q4			-9,3
	9 : 00 HU	Industrial producer prices (yoy, %)	Jan.			0,5
	14 : 00 HU	Interest rate decision (%)	Febr.		0,9	0,9
	14 : 30 US	GDP (second estimate, annualized, yoy, %)	Q4		2,1	1,9*
	15 : 00 US	Case-Shiller Home Price Index (yoy, %)	Dec.			5,3
	15 : 45 US	Chicago PMI (points)	Febr.		52,3	50,3
	16 : 00 US	Consumer confidence index (points)	Febr.		110,9	111,8
3. 1.	1 : 30 JP	Nikkei Manufacturing PMI (points)	Febr.		-	53,5
	2 : 00 CN	NBS Manufacturing PMI (points)	Febr.		51,1	51,3
	2 : 00 CN	NBS non-Manufacturing PMI (points)	Febr.		-	54,6
	2 : 45 CN	Caixin Manufacturing PMI (points)	Febr.		50,8	51,0
	9 : 00 HU	Manufacturing PMI (points)	Febr.		-	56,5
	14 : 00 DE	CPI (preliminary, yoy, %)	Febr.		2,1	1,9
	14 : 30 US	Personal income (mom, %)	Jan.		0,3	0,3
	14 : 30 US	Personal income (adjusted, mom, %)	Jan.		0,3	0,5
	16 : 00 US	Construction expenditure (mom, %)	Jan.		0,6	-0,2
	16 : 00 US	ISM Manufacturing PMI (points)	Febr.		55,7	56,0
	20 : 00 US	Beige Book	Febr.		-	-
	21 : 30 US	Vehicle sales (annualized monthly, million)	Febr.		17,5	17,6
2.	11 : 00 EZ	CPI (preliminary, yoy, %)	Febr.		2,0	1,8
	11 : 00 EZ	Consumer confidence (points)	Febr.		0,9	0,9
	11 : 00 EZ	Unemployment rate (%)	Jan.		9,6	9,6
3.	0 : 30 JP	CPI (yoy, %)	Jan.			0,3
	0 : 30 JP	core-CPI (yoy, %)	Jan.		0,0	-0,2
	9 : 00 HU	Retail sales (first estimate, yoy, %)	Jan.		-	2,8
	9 : 00 HU	Trade balance (detailed, monthly, EURmn)	Dec.		-	556
	11 : 00 EZ	Retail sales (mom, %)	Jan.		0,3	-0,3
	16 : 00 US	ISM non-Manufacturing PMI (points)	Febr.		56,4	56,5
	19 : 00 US	Janet Yellen speaks (Executives Club of Chicago)	March		-	-
	19 : 00 US	Stanley Fischer speaks (US Monetary Policy Forum)	March		-	-
		HU Moody's Credit Rating decision	March			Baa3

Source: Reuters, OTP Research

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