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Global Daily Report

Summary

- In Thursday's sour sentiment, most indices closed in the red on both sides of the Atlantic.
- A number of American IT giants published their earnings figures yesterday.
- The euro extended its gains against the USD on Thursday

Amid the unenthusiastic sentiment on US stock markets, the benchmark indices closed down. It was mostly the uptick in American government bond yields and concerns about the rising CPI that influenced investors' behaviour. In the corporate world, a number of IT giants released their quarterly earnings figures yesterday. Microsoft closed 0.9% down after reporting sharper-than-expected losses. Amazon's share price surged 2.5% after giving account of a jump in profits. Facebook shot up 3.6% on the back of news that its average advertisement prices had sky-rocketed 43%. The e-commerce company eBay soared 15% on the announcement to drop PayPal as its main payments processor, and to intermediate payments by itself, in a bid to reduce costs. The news sent PayPal's stock price nose-diving 6.7%. Apple's earnings report, published after market close, revealed record-high revenues owing to higher average prices amid shrinking sales volumes. Its stock price was up 3% in after-hours trading.

The selling pressure on European trading caused the key stock indices close in the red. Germany's DAX sank 1.6%. Europe's markets were also driven by important corporate reports. Royal Dutch Shell slipped 2.5% even though the oil company's Q3 profit has tripled in a year. Vodafone's shares fell 4.5% as the telecommunications firm's revenues had contracted.

US bond markets were far from being flat on Thursday. The 10Y US Treasury Note yield drew near 2.8%, to its highest in three years, while that of the 30Y bond exceeded 3%. One important driver of the increase in yields was the fear of inflationary pressures caused by the tight labour market; the other was the Fed's communication that the benchmark rate may be raised again in March.

The EUR/USD exceeded the 1.25 mark last night as the dollar's ailing continued. By the same token, the GBP/USD climbed to the neighbourhood of 1.42 by the end of the day—this cross grew by a total of 5% in January, in the sharpest month/month surge since May 2009. On Thursday Bitcoin's price fell 12%, to about USD 8,500, before a small uptick came at night. The sudden increase in selling pressure may owe a lot to recent weeks' reports, which negatively affected the cryptocurrencies' trading. The total market capitalization of cryptocurrencies has nearly halved since early January, in CoinMarketCap.com's estimate.

On Thursday oil price surged at its steepest in the past week, as an analysis by Goldman Sachs concluded that the balance of supply and demand had returned. Simultaneously, the financial institution raised its 12-month oil price forecast to USD 75. Gold price extended its Wednesday's gains yesterday, testing the USD 1,350 level at night.

The US vehicle sales data disappointed. Carmakers sold 17.07 million vehicles in January, undershooting both the previous month's reading and the EUR 17.2 mn forecast. Analysts expect the number of car sales to shrink in 2018 in year/year terms, while the Fed's continued tightening cycle may dim the outlook. The growth in US construction expenditures has topped expectations; the December expansion of 0.7% sent the indicator to a record high of USD 1,250 bn.

Today's important data include the US employment figures as well as the University of Michigan's consumer sentiment index for January.

	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	2822,0	-0,1	5,5	VIX	13,5	-1	22	WTI	65,80	1,7	8,9
	DOW	26186,7	0,1	5,9	US 2Y	2,2	2	27	Brent	69,65	0,9	4,2
	Nasdaq100	6901,5	-0,7	7,9	US 10Y	2,8	5	36	Arany	1348,81	0,3	3,6
	DAX	13003,9	-1,4	0,7	GER 2Y	-0,5	-2	9	Ezüst	17,23	-0,5	1,7
	CAC40	5454,6	-0,5	2,7	GER 10Y	0,7	2	29	EUR/USD	1,25	0,7	4,3
	FTSE 100	7490,4	-0,6	-2,6	PT10Y	1,9	-2	0	EUR/GBP	0,88	0,2	-1,3
	FTSE MIB	23541,5	0,1	7,7	IT 10Y	2,0	-6	-4	EUR/NOK	9,56	-0,2	-2,9
	Stoxx600	393,5	-0,5	1,1	SP 10	1,4	-1	-16	USD/CAD	1,23	-0,4	-2,5
	- Banks	179,7	0,0	8,9	iTRAXX	44,0	1	-3	AUD/USD	0,80	-0,2	3,0
	Nikkei 225	23486,1	0,0	3,2	JPY 2Y	-0,1	-1	1	USD/JPY	109,39	0,2	-2,9
SSEC	3462,1	0,4	4,7	JPY 10Y	0,1	-1	4	GBP/USD	1,43	0,5	5,6	
Regional	RTS	1293,1	0,8	12,0	RUS10	7,2	0	-5	USD/RUB	55,981	-0,4	-2,9
	WIG20	2534,2	-0,8	3,0	POL 10	3,6	-1	8	EUR/PLN	4,15	0,1	-0,5
	PX50	1140,0	0,8	5,7	CZ10	1,8	-1	18	EUR/RON	4,650	0,0	-0,6
Hungary	BUX	40238	0,1	2,2	3M T-Bill	0,03	0	-1	EUR/HUF	308,78	-0,4	-0,6
	OTP	11560	-0,3	7,8	1Y	0,07	0	2	USD/HUF	246,88	-1,1	-4,6
	MOL	3080	0,9	2,5	3Y	0,65	3	10	CHF/HUF	266,58	-0,5	0,6
	MTelekom	467	0,0	2,0	5Y	1,41	9	24	PLN/HUF	74,33	-0,4	0,1
	Richter	6420	-0,1	-5,3	10Y	2,42	7	38	GBP/HUF	352,23	-0,5	0,8

* 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.
2018. 01. 29.	14 : 30	US Personal income (mom, %)	Dec.	0,4	0,3	0,3
	14 : 30	US Personal consumption (adjusted, mom, %)	Dec.	0,4	0,4	0,8
	30. 7 : 30	FR GDP (preliminary, qoq, %)	Q4	0,6	0,5	0,6
	9 : 00	ES GDP (preliminary, qoq, %)	Q4	0,7	0,7	0,8
	9 : 00	HU Unemployment rate (%)	Dec.	3,8	-	3,8
	10 : 00	PL GDP (yoy, %)	2017	4,6	4,5	2,9
	11 : 00	EZ GDP (preliminary, yoy, %)	Q4	2,7	2,7	2,6
	11 : 00	EZ GDP (preliminary, qoq, %)	Q4	0,6	0,6	0,6
	11 : 00	EZ EC Economic Sentiment Index (points)	Jan.	114,7	116,3	116,0
	14 : 00	HU Interest rate decision (%)	Jan.	0,9	0,9	0,9
	14 : 00	DE CPI (flash, yoy, %)	Jan.	1,6	1,7	1,7
	15 : 00	US Case-Shiller Home Price Index (yoy, %)	Nov.	6,4	6,4	6,3
	16 : 00	US Consumer confidence (point)	Jan.	125	123	123
	31. 2 : 00	CN NBS Manufacturing PMI (points)	Jan.	51,3	51,5	51,6
	2 : 00	CN NBS non-Manufacturing PMI (points)	Jan.	55,3	-	55,0
	8 : 00	DE Retail sales (mom, %)	Dec.	-1,9	-0,3	2,3
	9 : 00	HU Industrial producer prices (yoy, %)	Dec.	4	-	4,5
	9 : 00	AT GDP (preliminary, qoq, %)	Q4	0,8	1	1
	11 : 00	EZ CPI (flash, yoy, %)	Jan.	1,3	1,3	1,4
	11 : 00	EZ Core CPI (flash, yoy, %)	Jan.	1,0	1,0	1,1
	11 : 00	EZ Unemployment rate (%)	Dec.	8,7	8,7	8,7
	14 : 15	US ADP non-farm employment (mom, '000s)	Jan.	234,0	180	250
	15 : 45	US Chicago PMI (points)	Jan.	65,7	64,5	67,6
	16 : 00	US Pending home sales (mom, %)	Dec.	0,5	0,3	0,2
	20 : 00	US Interest rate decision (%)	Jan.	1,25-1,5	1,25-1,5	1,25-1,5
		HU Aggregated real house price index (Nat. Bank of Hungary)	Q3	127,6	-	125,2
	2. 1. 9 : 00	HU Manufacturing PMI (points)	Jan.	60,9	-	60,5
	16 : 00	US Construction expenditure (mom, %)	Dec.	0,7	0,4	0,6
	16 : 00	US ISM Manufacturing PMI (points)	Jan.	59,1	58,6	59,3
	21 : 30	US Vehicle sales (annualized monthly, million)	Jan.	17,1	17,2	17,8
		HU Aggregated balance sheet of credit institutions	Dec.	-	-	-
	2. 3 : 00	HU Trade balance (detailed, monthly, EUR mn)	Nov.	-	-	718*
	9 : 00	US Unemployment rate (%)	Jan.	-	4,1	4,1
	14 : 30	US Average earnings (yoy, %)	Jan.	-	2,6	2,5
	14 : 30	US Average earning (mom, %)	Jan.	-	0,3	0,3
	14 : 30	US Non-farm payroll (mom, '000s)	Jan.	-	175	148
	14 : 30	US Factory orders (mom, %)	Dec.	-	0,6	1,3
	16 : 00	US Michigan Consumer confidence (preliminary, points)	Jan.	-	95,0	94,4

*preliminary data

Sources: Reuters, OTP Research

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