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Global Daily Report

Summary

- Stock markets ground higher on both sides of the Atlantic.
- The details of the steel and aluminium import tariff plan have come to light.
- German industrial data disappointed.

Amid the uncertainty surrounding steel and aluminium import tariffs, volatility mounted, and America's stock indices achieved small gains on Thursday. Last night more details became available about the import levies. In accordance with previous information, steel imports would be subject to 25% levy, and 10% duty would apply to imported aluminium. However, Canada and Mexico will be granted immediate exemption, because of the existing trade relations and national security reasons. The tariffs may vary in other countries, particularly if they are the USA's long-term partners. One of them is Australia. The import tariffs will be introduced in 15 days from the date of announcement. Stock markets welcomed the news: the Dow rose by 0.4% and the S&P500 advanced 0.5%. On the other hand, steel and aluminium manufacturers' share prices contracted as the import duties are lower than had been thought. US Steel shrank 3.6%, Commercial Metals slid 4.3%, and Century Aluminium nose-dived 9.1%.

Europe's key stock markets also ended in positive territory on Thursday, when the European Central Bank raised its 2018 growth forecast for the eurozone from 2.3% to 2.4%. Nevertheless, Mario Draghi made a surprise announcement after the governing council's meeting: if economic outlook deteriorates, the ECB may boost its asset purchases from the current level of EUR 30 billion/month, the president said. The news sent the euro weakening. The ECB's announcement also pointed out that the asset purchase programme would not end before September 2018, and it may last even longer, if needed.

The euro's weakening sent the EUR/USD 0.8% down. Commodity prices slipped, the WTI dropped 1.9%, and gold shed 0.3%. Bitcoin extended its losing streak, with the price sinking below USD 8,500 this morning.

The Bank of Japan's monetary council voted 8:1 to leave the target value of the 10Y Japanese government bond yield near 0%. The BoJ's subsequent statement did not hint at the date when to join other central banks of the world in reducing the asset purchase programme's size.

This morning's release of German industrial data was disappointing: industrial orders contracted by 3.9% in January from the previous month, wrong-footing analysts who had predicted 1.5% fall. The indicator was dragged down by a 4.6% slump in foreign orders, but domestic orders also shrank by 2.8%.

The USA is to publish unemployment and wage statistics today.

	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	2739,0	0,4	2,4	VIX	16,5	-7	50	WTI	60,12	-1,9	-0,5
	DOW	24895,2	0,4	0,7	US 2Y	2,3	0	36	Brent	63,61	-1,1	-4,9
	Nasdaq100	6966,4	0,5	8,9	US 10Y	2,9	-2	46	Arany	1321,96	-0,3	1,5
	DAX	12355,6	0,9	-4,4	GER 2Y	-0,6	-1	8	Ezüst	16,49	0,0	-2,7
	CAC40	5254,1	1,3	-1,1	GER 10Y	0,6	-3	21	EUR/USD	1,23	-0,8	2,6
	FTSE 100	7203,2	0,6	-6,3	PT10Y	1,8	-4	-12	EUR/GBP	0,89	-0,1	0,3
	FTSE MIB	22731,1	1,1	4,0	IT 10Y	2,0	-6	-2	EUR/NOK	9,65	-0,4	-2,0
	Stoxx600	376,6	1,0	-3,2	SP 10	1,4	-4	-17	USD/CAD	1,29	-0,1	2,5
	- Banks	167,2	-0,1	1,3	iTRAXX	51,8	-2	15	AUD/USD	0,78	-0,4	-0,2
	Nikkei 225	21368,1	0,0	-6,1	JPY 2Y	-0,2	0	-2	USD/JPY	106,20	0,1	-5,7
SSEC	3307,2	0,6	0,0	JPY 10Y	0,1	0	0	GBP/USD	1,38	-0,6	2,2	
Regional	RTS	1270,2	0,0	10,0	RUS10	7,1	0	-7	USD/RUB	57,085	0,4	-1,0
	WIG20	2322,1	-1,6	-5,7	POL 10	3,2	-1	-2	EUR/PLN	4,20	-0,1	0,6
	PX50	1118,2	0,5	3,7	CZ10	1,9	0	28	EUR/RON	4,654	0,8	-0,5
Hungary	BUX	38671	1,3	-1,8	3M T-Bill	0,02	0	-2	EUR/HUF	311,68	-0,1	0,4
	OTP	11430	0,8	6,6	1Y	0,05	-1	0	USD/HUF	253,10	0,7	-2,2
	MOL	3004	2,2	0,0	3Y	0,90	0	35	CHF/HUF	266,08	0,0	0,4
	MTelekom	444	0,1	-3,2	5Y	1,56	0	39	PLN/HUF	74,11	0,0	-0,2
	Richter	5725	0,4	-15,6	10Y	2,71	-2	66	GBP/HUF	349,55	0,2	0,1

* 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 3. 5. 10 : 30	EZ	Sentix Investor confidence (points)	Jan.	24	31	32
	EZ	Retail sales (yoy, %)	Jan.	2,3	2,1	1,9
6. 9 : 15	CH	CPI (yoy, %)	Febr.	0,6	0,5	0,7
	RU	CPI (yoy, %)	Febr.	2,2	2,3	2,2
7. 9 : 30	UK	Halifax house prices (mom, %)	Febr.	0,4	0,3	-0,6
	PL	Interest rate decision (%)	Jan.	1,5	1,5	1,5
	US	ADP non-farm employment (mom, '000s)	Dec.	235,0	195,0	234,0
8. 0 : 50	JP	Balance of payments (quarterly, EURbn)	Febr.	607,4	310,0	797,2
	CN	Jerome Powell testimony (House Financial Services Comm.)	-	44,5	13,9	11,1
	CN	Import (yoy, %)	Febr.	6,3	9,7	36,9
	CN	Trade balance (monthly, billion USD)	Febr.	33,7	0,6	20,3
	DE	Industrial orders (mom, %)	Q4	-3,9	-1,6	3,8
	HU	CPI (yoy, %)	Jan.	1,9	2,0	2,1
	EZ	Interest rate decision (deposit rate, %)	Q4	-0,4	-0,4	-0,4
	US	Initial jobless claims ('000s)	Q4	231,0	220	210
	US	Continuous jobless claims ('000)	Febr.	1870,0	-	1931
9. 0 : 30	JP	Household spending (yoy, %)	Febr.	1,9	-1,2	-0,1
	CN	CPI (yoy, %)	Q4	2,9	2,5	1,5
	JP	Interest rate decision (%)	Febr.	-0,1	-0,1	-0,1
	DE	Industrial production (mom, %)	Jan.	-0,5	0,5	-0,6
	DE	Trade balance (adjusted, million euro)	Febr.		20,7	21,4
	FR	Industrial production (mom, %)	Jan.		-0,3	0,5
	SP	Industrial production (yoy, %)	Jan.		5,1	6,1
	CZ	CPI (yoy, %)	Jan.		-	2,2
	HU	Trade balance (monthly, EUR mn)	Q4		-	513
	UK	Industrial production (yoy, %)	Jan.		1,5	0,0
	UK	Manufacturing production (yoy, %)	Febr.		2,8	1,4
	US	Non-farm payroll (mom, '000s)	Febr.		190	200
	US	Unemployment rate (%)	Jan.		4,0	4,1
	US	Average earnings (mom, %)	Dec.		0,2	0,3
	US	Average earnings (yoy, %)	Q4		2,8	2,9
	US	Average workweek hours	Q4		34,4	34,3
	US	Wholesale inventories (mom, %)	Jan.		-	0,6

Sources: Reuters, OTP Research

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