

Global Daily Report



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Summary

- The positive reports about trade war may reduce tensions.
- Donald Trump's words moved US stock markets yesterday.
- Crude oil prices inched somewhat higher.
- US inflation data are due out today.

Investors on Western Europe's stock markets welcomed news that China was willing to cut import tariffs on US cars from 40% to 10% (or to 15%, according to later reports). Another factor that boosted the appetite to buy was a report by CNBC that China's deputy prime minister discussed the possible next stage of trade talks, in a telephone conversation with the US Treasury Secretary and the US trade representative. Europe's key indices advanced more than 1%, with carmakers and their suppliers making the strongest gains.

The bright sentiment soured in the USA yesterday. Word on easing trade war tensions induced a rally on markets, but the optimism was soon overshadowed by a political quarrel. In a public meeting in the Oval Office, with the media present, Donald Trump bickered with two top congressional Democrats that he would shut down US government if he does not get the funding for the wall on the Mexican border. What saved Wall Street's indices from hefty losses was the conciliatory comments of Senate leaders. The Dow and the S&P500 closed somewhat down while the NASDAQ100 edged higher.

Theresa May postponed the House of Commons vote on her Brexit deal until 21 January. Meanwhile Angela Merkel joined Jean-Claude Juncker and Manfred Weber in making it clear that the current offer is the EU's last one, and the only area where some fine-tuning may occur is the border between Ireland and Northern Ireland.

The dollar slightly firmed against the euro and the yen. The euro firmed against the pound.

After Monday's collapse, Brent picked up on Tuesday. The uncertainty on crude market persisted, stemming from worries about output caps, as well as the affair in Libya, where production on the Sharara oil field, seized by armed groups, may be shut down. Stopping these wells would reduce Libya's (and OPEC's) output by 400,000 barrels. Brent rose by 1.2%, nearing USD 61, and WTI upped more than 2% (to 52.1 USD/barrel). Industrial metal prices have risen.

Optimism ruled this morning's trading in Asia. The USD/JPY closed nearly flat.

Today's important releases include the US consumer price indices. Jerome Powell will speak before Congress' joint economic committee.

	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	2636,8	0,0	-1,4	VIX	21,8	-3,9	97	WTI	52,0	2,0	-13,9
	DOW	24370,2	-0,2	-1,4	US 2Y	2,77	4,5	88	Brent	60,20	0,4	-10,0
	Nasdaq100	6704,2	0,3	4,8	US 10Y	2,88	2,5	47	Gold	1242,9	-0,1	-4,6
	DAX	10780,5	1,5	-16,5	GER 2Y	-0,59	-1,5	4	Silver	14,53	0,0	-14,3
	CAC40	4806,2	1,3	-9,5	GER 10Y	0,24	-0,3	-19	EUR/USD	1,1314	-0,4	-5,7
	FTSE 100	6806,9	1,3	-11,5	PT10Y	1,78	-1,9	-15	EUR/GBP	0,9061	0,2	2,0
	FTSE MIB	18591,0	1,0	-14,9	IT 10Y	3,12	2,3	112	EUR/NOK	9,7078	-0,2	-1,4
	Stoxx600	344,2	1,5	-11,6	SP 10	1,45	-1,5	-13	USD/CAD	1,3388	0,0	6,4
	- Banks	113,6	0,3	-31,1	iTRAXX	85,3	-3,2	88,9	AUD/USD	0,7206	0,2	-7,6
	Nikkei 225	21617,5	2,2	-5,0	JPY 2Y	-0,14	0,1	0	USD/JPY	113,37	0,0	0,6
	SSEC	2602,2	0,3	-21,3	JPY 10Y	0,05	0,6	0	GBP/USD	1,2484	-0,6	-7,6
Regional	RTS	1134,7	-0,2	-1,7	RUS10	8,7	0,0	14	USD/RUB	66,390	-0,4	15,1
	WIG20	2221,37	-0,9	-9,7	POL 10	3,0	0,0	-9	EUR/PLN	4,30	0,2	3,0
	PX50	1017,4	-1,1	-5,6	CZ10	2,0	-0,9	33	EUR/RON	4,654	0,1	-0,5
Hungary	BUX	39860	1,6	1,2	3M DKJ	0,07	-0,1	3	EUR/HUF	323,48	0,0	4,2
	OTP	11690	3,5	9,0	1Y	0,31	-1,0	26	USD/HUF	285,82	0,4	10,4
	MOL	3110	1,6	3,5	3Y	1,28	-3,2	73	CHF/HUF	287,58	0,1	8,5
	MTelekom	445	0,7	-2,8	5Y	2,73	-2,0	156	PLN/HUF	75,17	-0,1	1,2
	Richter	5450	-1,4	-19,6	10Y	3,19	0,0	115	GBP/HUF	356,76	-0,2	2,1

* 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 12. 10.	8 : 00	DE Export (mom, %)	Oct	0,7	0,3	-0,8
	8 : 00	TR GDP (qoq, %)	Q3	-1,1	-1,2	0,9
	8 : 00	TR GDP (yoy, %)	Q3	1,6	2,7	5,2
	10 : 30	EZ Sentix Investor confidence (points)	Dec	-0,3	8,4	8,8
	10 : 30	UK Industrial production (mom, %)	Oct	-0,6	0,1	0,0
11.	9 : 00	HU Inflation (yoy, %)	Nov	3,1	3,5	3,8
	9 : 00	HU Core inflation (yoy, %)	Nov	3	-	3
	11 : 00	DE ZEW Economic Sentiment (points)	Dec	-17,5	-25,0	-24,1
12.	9 : 00	HU Industrial production (second estimate, yoy, %)	Oct		-	5,9*
	11 : 00	EZ Industrial production (mom, %)	Oct		0,2	-0,3
	14 : 30	US core-CPI (mom, %)	Nov		0,2	0,2
	14 : 30	US CPI (yoy, %)	Nov		2,2	2,50
	14 : 30	US CPI (mom, %)	Nov		0,0	0,3
	14 : 30	US core-CPI (yoy, %)	Nov		2,2	2,1
		Federal budget balance (USDbn)	Nov		-188,0	-100,0
	0 : 0	US Jerome Powell testimony (Economic Committe)	-		-	-
13.	8 : 00	DE CPI (final, yoy, %)	Nov		2,3	2,3*
	13 : 45	EZ Interest rate decision (deposit rate, %)	Dec		0,0	0,0
	13 : 45	EZ Interest rate decision (lending rate, %)	Dec		-0,4	-0,4
	14 : 30	US Continuing jobless claims ('000s)	weekly		1 650	1 631
14.	3 : 00	CN Infrastructural spending (yoy, %)	Nov		5,8	5,7
	3 : 00	CN Industrial production (yoy, %)	Nov		5,9	5,9
	3 : 00	CN Retail sales (yoy, %)	Nov		9,0	8,6
	9 : 00	EZ Markit Manufacturing PMI (points)	Dec		51,9	51,8
	9 : 00	EZ Markit Service PMI (points)	Dec		53,5	53,4
	9 : 00	HU Construction output (yoy, %)	Oct		-	25,8
	9 : 15	FR Markit Manufacturing PMI (points)	Dec		50,7	50,8
	9 : 15	FR Markit Service PMI (points)	Dec		54,8	55,1
	9 : 30	DE Markit Manufacturing PMI (points)	Dec		52,0	51,8
	9 : 30	DE Markit Service PMI (points)	Dec		53,5	53,3
	14 : 30	US Retail sales (mom, %)	Nov		0,2	0,8
	15 : 15	US Industrial production (mom, %)	Nov		0,3	0,1
	15 : 45	US Markit Manufacturing PMI (points)	Dec		55,1	55,3
	15 : 45	US Markit Service PMI (points)	Dec		54,7	54,7
	16 : 00	US Business inventories (mom, %)	Oct		0,6	0,3

* preliminary data

Sources: Reuters, OTP Research

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This document was prepared on 12 December 2018.

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