

# Global Daily Report



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## Summary

- Stock markets started the new year on a muted note; growth fears resurfaced.
- Apple has cut its revenue forecast.
- The EUR lost more than 1% versus the USD; long-term bond yields fell sharply.

Equity markets kicked off 2019 in sour sentiment as the final reading of China's Caixin manufacturing PMI (purchasing managers' index), published on Wednesday, fell below 50, signifying a contraction in the economy. This lacklustre reading re-intensified investors' global growth fears, and sent the benchmarks of mainland China and Hong Kong into negative territory on the first trading day of this year. Stock indices opened in the red on both sides of the Atlantic but picked up by the close. In Europe, the DAX gained 0.2%, the FTSE edged 0.1% higher, while the Stoxx600 shed 0.1%.

Likewise, US markets opened with losses but closed with slight gains, ending a day of ebbs and flows. The Dow and the S&P inched up 0.1% each, and the Nasdaq100 advanced 0.5%. Within the S&P, the energy and telecom sectors drove the index higher, and they were roughly counterbalanced by the real estate, utilities, and health care sectors. The energy sector benefited from a pick-up in oil prices, at the back of Saudi Arabia's output cut – Exxon Mobil rallied 2.2%, and Chevron added 1.8%, with smaller independent producers' share prices growing even steeper. Banking shares also had a good day on Wednesday. In the tech world, Apple upped 0.1%, Alphabet rose by 0.9%, and Facebook surged 3.5%. After market close on Wednesday, Apple lowered its revenue forecast for its financial Q1 that ended in December, citing an unexpected drop in demand in China. The announcement slashed Apple's share price by more than 7% in after-hours trading, dragging down other technology giants as well.

Hungary's BUX finished the first trading day of the year 1.5% higher on thin trading volume but outshining its peers in the CEE region, where Warsaw's WIG20 added 1.1%, and Prague's PX upped 0.3% on Wednesday.

Long-term bond yields decreased on international bond markets too: the US 10Y yield sank three basis points, while the German benchmark yield dropped nine points, to 0.15%, its lowest in more than two years.

Europe's common currency, which has turned 20, lost 1.1% versus the US dollar yesterday. Similarly, the pound depreciated 1% against the greenback. However, the yen's 0.6% firming pushed the USD/JPY to a seven-month low of 109.123.

On the commodity market, the rise in oil prices was the most noticeable change yesterday, when WTI jumped 2.5%, and Brent surged 2.1% as the latest data indicated that Saudi Arabia had cut its output. In precious metals, gold price upped 0.6% yesterday. In industrial metal prices, copper shrank more than 1%.

The final December reading of the Markit purchasing managers' index for Germany and the eurozone slightly undershot expectations. Conversely, the Markit PMI for Britain has improved even though the November index was revised upwards; this beat analysts who had predicted contraction. The Markit PMI for America matched expectations in the final December gauge, but the November data was markedly revised down.

Today the United Kingdom will release construction PMI, while the USA will publish weekly unemployment statistics as well as ISM manufacturing PMI.

This morning Asia's markets closed in negative territory. Apple's lowering its revenue forecast does not help ease fears surrounding China's growth. This information dragged down the share price of Apple's Asian suppliers. Japan's stock market is still closed.

	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	2510,0	0,1	0,1	VIX	23,2	-8,7	-9	WTI	46,5	2,5	2,5
	DOW	23346,2	0,1	0,1	US 2Y	2,50	0,6	1	Brent	54,91	2,1	2,1
	Nasdaq100	6360,9	0,5	0,5	US 10Y	2,66	-3,0	-3	Gold	1284,7	0,2	0,2
	DAX	10580,2	0,2	0,2	GER 2Y	-0,61	-1,8	-2	Silver	15,51	0,2	0,2
	CAC40	4689,4	-0,9	-0,9	GER 10Y	0,17	-7,5	-8	EUR/USD	1,1342	-1,1	-1,1
	FTSE 100	6734,2	0,1	0,1	PT10Y	1,72	-0,1	0	EUR/GBP	0,8996	0,1	0,1
	FTSE MIB	18331,0	0,0	0,0	IT 10Y	2,69	-8,2	-8	EUR/NOK	9,8883	-0,2	-0,2
	Stoxx600	337,2	-0,1	-0,1	SP 10	1,41	-1,5	-1	USD/CAD	1,3577	-0,4	-0,4
	- Banks	111,9	-1,0	-1,0	iTRAXX	88,0	0,0	0,0	AUD/USD	0,6984	-0,9	-0,9
	Nikkei 225	20014,8	0,0	0,0	JPY 2Y	-0,14	0,0	0	USD/JPY	108,87	-0,6	-0,6
	SSEC	2461,7	-0,1	-1,3	JPY 10Y	0,00	0,0	0	GBP/USD	1,2607	-1,2	-1,2
Regional	RTS	1068,7	0,0	0,0	RUS10	8,7	0,0	0	USD/RUB	69,001	-1,0	-1,0
	WIG20	2301,62	1,1	1,1	POL 10	2,7	-3,5	-3	EUR/PLN	4,29	0,0	0,0
	PX50	989,4	0,3	0,3	CZ10	1,8	-7,4	-7	EUR/RON	4,656	0,1	0,1
Hungary	BUX	39734	1,5	1,5	3M DKJ	0,07	0,1	0	EUR/HUF	322,10	0,4	0,4
	OTP	11540	2,2	2,2	1Y	0,44	-1,0	-1	USD/HUF	283,85	1,5	1,5
	MOL	3096	0,6	0,6	3Y	1,22	-3,8	-4	CHF/HUF	286,69	0,5	0,5
	MTelekom	441	0,2	0,2	5Y	2,43	-10,0	-10	PLN/HUF	75,01	0,6	0,6
	Richter	5560	2,4	2,4	10Y	2,86	-18,3	-18	GBP/HUF	357,95	0,5	0,5

\* 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.			
2019	1.	2.	9 : 00	HU	Unemployment rate (%)	Nov	3,6	-	3,7	
			9 : 00	HU	Manufacturing PMI (points)	Dec	54,2	-	53,5	
	3.		8 : 00	TR	Inflation (yoy, %)	Dec	20,3	20,5	21,6	
			9 : 00	HU	Balance of general government sector (GDP %)	Q3		-	-0,1	
				14 : 15	US	ADP non-farm employment (mom, '000s)	Dec		175,0	179,0
				14 : 30	US	Continuing jobless claims ('000s)	weekly			
				14 : 30	US	Initial jobless claims ('000s)	weekly			
				16 : 00	US	Construction expenditure (mom, %)	Nov		0,3	-0,1
				16 : 00	US	ISM Manufacturing PMI (points)	Dec		58,0	59,3
				21 : 30	US	Vehicle sales (annualized monthly, million)	Dec		17,2	17,5
	4.			9 : 00	HU	Industrial producer prices (yoy, %)	Nov		-	6,4
				11 : 00	EZ	CPI (flash, yoy, %)	Dec		1,8	1,9
				11 : 00	EZ	Core CPI (flash, yoy, %)	Dec		1,0	1,0
				14 : 30	US	Unemployment rate (%)	Dec		3,7	3,7
				14 : 30	US	Average earnings (yoy, %)	Dec		3,0	3,1
14 : 30				US	Average earnings (mom, %)	Dec		0,3	0,2	
14 : 30				US	Non-farm payroll (mom, '000s)	Dec		178	155	

\* preliminary data

Sources: Reuters, OTP Research

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This document was prepared on 03 January 2019.

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