

Global Daily Report



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Summary

- USA-China trade talks are faring well.
- Optimism ruled the developed worlds' stock markets on Tuesday.
- Germany released weaker-than-expected IP data; the ESI index dropped further.
- The TRY depreciated against the key currencies.

Trade talks between the USA and China are faring well, as confirmed by Donald Trump and one of the American negotiators, Steven Winberg. Even though the meetings were not on the initial agenda, they will resume today; the reason for the unexpected continuation is not known.

The possibility of making headway in resolving trade war brought optimism, and gains, to the developed world's stock markets. In Western Europe, the worse-than-expected macrodata from Germany and the EU briefly broke the impetus. Recovering from a slight dip, Wall Street marched higher steadily. Even its weakest link, the financial sector, inched up.

Germany published surprisingly meagre industrial production data yesterday. Missing forecasts of 0.3% month/month growth, IP fell by 1.9% in November, confirming the view that the growth rate in the EU's largest economy may have shifted down a gear in the fourth quarter. The December reading of the European Commission's economic sentiment index also undershot predictions, by falling in each month of the year, from 114.9 in January to 107.3 in December 2018. Another cause for investors' angst is Brexit uncertainty, as the current draft is unlikely to win majority in next Tuesday's vote in UK parliament. This leaves the UK with little time to bargain a new agreement until 29 March, the official date of parting with the EU.

In emerging market currencies, sliding more than 1% made the Turkish lira the loser of the day. The TRY's ailing owes a lot to Turkey's political tension with Syria and with the USA.

The greenback's appreciation sent the EUR/USD 0.3% down, to close at 1.14.

WTI grew by 2.6% (to 49.8 USD/barrel), as API's data suggested that US oil inventory had fallen stronger than had been thought. Today EIA will publish its inventory data, which are expected to indicate contraction. Brent rose by 2.4%, to 58.7 USD/barrel. The price of the most important precious metals inched lower, whereas industrial metal prices headed higher.

Sanguinity ruled Asian trading this morning. The USD/JPY barely moved since its opening.

Today the eurozone's November labour market data are worth checking. The USA will publish the minutes of the Fed's December rate decision, and the Fed's chair Jerome Powell will make a speech at the Economic Club of Washington's event. Just as importantly, Donald Trump called Democrats for a meeting today. Speaking in the Oval office on Tuesday, he said he could put up with a steel fence on the Mexican border, instead of a concrete wall. The new plan would cost much less than the original one.

	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	2574,4	1,0	2,7	VIX	20,5	-4,3	-19	WTI	49,8	2,6	9,6
	DOW	23787,5	1,1	2,0	US 2Y	2,58	5,9	9	Brent	58,72	2,4	9,1
	Nasdaq100	6551,9	1,0	3,5	US 10Y	2,72	3,3	2	Gold	1284,9	-0,3	0,2
	DAX	10804,0	0,5	2,3	GER 2Y	-0,57	1,9	2	Silver	15,65	0,1	1,1
	CAC40	4773,3	1,1	0,9	GER 10Y	0,23	1,4	-2	EUR/USD	1,1440	-0,3	-0,3
	FTSE 100	6861,6	0,7	2,0	PT10Y	1,84	0,4	12	EUR/GBP	0,8997	0,2	0,1
	FTSE MIB	19000,1	0,2	3,7	IT 10Y	2,97	6,1	19	EUR/NOK	9,7821	-0,1	-1,3
	Stoxx600	345,9	0,9	2,4	SP 10	1,53	2,0	11	USD/CAD	1,3272	-0,2	-2,7
	- Banks	117,2	0,4	3,7	iTRAXX	85,8	-1,8	-2,5	AUD/USD	0,7139	-0,1	1,3
	Nikkei 225	20427,1	1,1	2,1	JPY 2Y	-0,14	0,1	-1	USD/JPY	108,73	0,0	-0,8
	SSEC	2544,3	0,7	2,0	JPY 10Y	0,03	3,0	3	GBP/USD	1,2717	-0,5	-0,3
Regional	RTS	1122,9	0,4	5,3	RUS10	8,7	-0,1	-1	USD/RUB	66,886	0,4	-4,0
	WIG20	2325,19	-0,3	2,1	POL 10	2,9	2,2	0	EUR/PLN	4,30	0,0	0,2
	PX50	1014,4	0,6	2,8	CZ10	1,8	2,2	-6	EUR/RON	4,666	0,2	0,3
Hungary	BUX	40810	0,6	4,3	3M DKJ	0,07	0,1	0	EUR/HUF	321,54	0,2	0,2
	OTP	11700	-0,4	3,6	1Y	0,43	0,0	-2	USD/HUF	280,97	0,5	0,4
	MOL	3240	1,9	5,3	3Y	1,27	1,6	1	CHF/HUF	286,67	0,4	0,4
	MTelekom	448	-1,0	1,7	5Y	2,45	7,0	-8	PLN/HUF	74,84	0,2	0,3
	Richter	5750	1,0	5,9	10Y	2,98	5,5	-6	GBP/HUF	358,07	0,2	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. 7.	8 : 00	DE Industrial orders (mom, %)	Nov	-1,0	-0,5	0,3
	8 : 00	DE Retail sales (mom, %)	Nov	1,4	0,3	-0,3
	9 : 00	HU Retail sales (first estimate, yoy, %)	Nov	5,2	-	6,4
	10 : 30	EZ Sentix Investor confidence (points)	Jan	-1,5	-	-0,3
	11 : 00	EZ Retail sales (mom, %)	Nov	0,6	0,1	0,3
	16 : 00	US ISM non-Manufacturing PMI (points)	Dec	57,6	59,7	60,7
8.	8 : 00	DE Industrial production (mom, %)	Nov	-1,9	0,3	-0,5
	9 : 00	HU Industrial production (preliminary, yoy, %)	Nov	4,0	5,3	5,9
	10 : 00	HU International reserves (preliminary, EURbn)	Dec	27,4	-	24,7
	11 : 00	EZ EC Economic Sentiment Index (points)	Dec	107,3	108,2	109,5
9.	8 : 00	DE Export (mom, %)	Nov	-0,4	-0,3	0,7
	9 : 00	HU Trade balance (preliminary, monthly, EUR mn)	Nov		110,0	95,0
	11 : 00	HU Fiscal balance (monthly, billion HUF)	Dec		-	-164,3
	11 : 00	EZ Unemployment rate (%)	Nov		8,1	8,1
	14 : 00	PL Interest rate decision (%)	Jan		1,5	1,5
	16 : 00	CA Interest rate decision (%)	Jan		1,8	1,8
	20 : 00	US FOMC Minutes	Dec		-	-
10.	13 : 30	EZ ECB Minutes	Dec		-	-
	14 : 30	US Continuing jobless claims ('000s)	weekly		1 714	1 740
	14 : 30	US Initial jobless claims ('000s)	weekly		225	231
11.	10 : 30	UK Industrial production (mom, %)	Nov		0,2	-0,6
	14 : 30	US core-CPI (mom, %)	Dec		0,2	0,2
	14 : 30	US CPI (yoy, %)	Dec		1,9	2,2
	14 : 30	US CPI (mom, %)	Dec		-0,1	0,0
	14 : 30	US core-CPI (yoy, %)	Dec		2,2	2,2
	20 : 00	US Federal budget balance (USDbn)	Dec		-12,0	-205

* preliminary data

Sources: Reuters, OTP Research

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