

Global Daily Report



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Summary

- America's stock markets ground higher, trading in Europe was rather lacklustre
- The political crisis in Venezuela is intensifying
- The EZ Sentix investor sentiment index fell to more-than-four-year low

The sentiment in Monday's US trading session was fairly positive; the growth was largely fuelled by the tech sector. The Dow and the S&P500 rose by 0.7%, and the Nasdaq100 surged 1.2%. Equity markets were driven by individual corporate news reports. Tesla advanced 0.2% on the announcement to buy Maxwell Technologies, an energy company. The flash report of Google's parent, Alphabet came with USD 8.95 bn net profit in the fourth quarter, in an impressive surge from the USD 3 bn loss reported a year earlier. Yet its share price reversed 3.4% in Monday's trading, as costs had shot up 26% year/year. By contrast, Microsoft and Apple fared well, each gaining 2.9% in Monday's session.

Amid the gloom on Europe's equity markets, the Stoxx600 edged 0.1% higher, the DAX stagnated, while the CAC40 dipped 0.4%. One of the losers of the day, the banking sector was dragged down by disheartening earnings reports. Banco de Sabadell nose-dived 4.5%, Danske Bank fell 2.3%, and the Julius Baer group's shares tumbled 4.1% on the announcement to cut jobs.

The risk of a no-deal Brexit is looming. Monday's negotiations between the EU and the United Kingdom came to nothing, unofficial sources said. The UK wanted to make legally binding amendments to the previously struck deal, but the EU was not willing to do so. Thus in the current situation, if the UK Parliament does not approve Prime Minister Theresa May's agreement, the only way to avoid a no-deal Brexit is to delay the date of the departure.

Venezuela's political crisis is intensifying. Europe's leading countries – the United Kingdom, France, Germany, and Spain – together with a number of other European states, recognized opposition politician Juan Guaidó as the country's legitimate leader. This came after President Maduro, the serving president, refused to announce early elections by Sunday. Meanwhile President Trump confirmed in a televised speech that the USA did not rule out using military force.

The US dollar firmed 0.2% against the EUR, and the GBP subsided 0.2% versus the single currency.

Oil prices slipped: WTI slid 1.3%, and Brent fell 0.4%.

The February reading of the eurozone's investor sentiment index, Sentix fell to a disappointing -3.7, missing analysts' projection of -1.1 by a large margin, and undershooting the previous month's gauge of 1.5. The indicator has been sinking for the sixth consecutive month, to its deepest since November 2014. The November figure of US factory orders contracted by 0.6% in month over month comparison, whereas analysts had forecast 0.2% increase. The drop in American factory orders may point to a slowing in manufacturing.

Today's releases include the December reading of the eurozone's retail sales data, and the USA will publish the ISM non-manufacturing purchasing managers' 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	2724,9	0,7	8,7	VIX	15,7	-2,5	-38	WTI	54,6	-1,3	20,1
	DOW	25239,4	0,7	8,2	US 2Y	2,53	2,2	3	Brent	62,51	-0,4	16,2
	Nasdaq100	6960,0	1,2	10,0	US 10Y	2,72	3,3	3	Gold	1311,7	-0,5	2,3
	DAX	11176,6	0,0	5,8	GER 2Y	-0,57	1,0	2	Silver	15,86	-0,3	2,5
	CAC40	5000,2	-0,4	5,7	GER 10Y	0,18	1,4	-7	EUR/USD	1,1435	-0,2	-0,3
	FTSE 100	7034,1	0,2	4,5	PT10Y	1,66	1,1	-6	EUR/GBP	0,8772	0,2	-2,4
	FTSE MIB	19605,6	0,1	7,0	IT 10Y	2,75	1,9	-2	EUR/NOK	9,6761	0,1	-2,3
	Stoxx600	359,9	0,1	6,6	SP 10	1,26	2,9	-17	USD/CAD	1,3110	0,1	-3,9
	- Banks	117,2	-1,0	3,6	iTRAXX	71,7	1,0	-18,5	AUD/USD	0,7224	-0,3	2,5
	Nikkei 225	20884,5	0,0	4,3	JPY 2Y	-0,16	0,5	-3	USD/JPY	109,88	0,4	0,3
	SSEC	2618,2	0,0	5,0	JPY 10Y	-0,01	0,0	-2	GBP/USD	1,3035	-0,4	2,2
Regional	RTS	1211,2	0,0	13,6	RUS10	8,1	0,0	-7	USD/RUB	65,535	0,2	-5,9
	WIG20	2390,46	-0,1	5,0	POL 10	2,8	0,9	-2	EUR/PLN	4,28	-0,1	-0,1
	PX50	1052,1	0,4	6,6	CZ10	1,7	1,4	-12	EUR/RON	4,749	-0,1	2,1
Hungary	BUX	40857	-0,3	4,4	3M DKJ	0,15	0,0	8	EUR/HUF	317,24	0,0	-1,1
	OTP	11370	-1,1	0,7	1Y	0,45	0,6	0	USD/HUF	277,40	0,2	-0,8
	MOL	3302	0,5	7,3	3Y	1,08	0,5	-18	CHF/HUF	278,14	0,0	-2,5
	MTelekom	468	-0,2	6,4	5Y	2,26	3,0	-27	PLN/HUF	74,02	-0,1	-0,8
	Richter	5875	0,1	8,2	10Y	2,70	1,9	-34	GBP/HUF	362,92	0,2	1,9

* 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	2.	4.	8 : 00	TR	Inflation (yoy, %)	Jan	20,3	20,3	20,3
			10 : 30	EZ	Sentix Investor confidence (points)	Feb	-3,7	-1,1	-1,5
			16 : 00	US	Factory orders (mom, %)	Nov	-0,6	0,2	-2,1
	5.		9 : 00	HU	Retail sales (SA, first estimate, yoy, %)	Dec		-	4,9
			11 : 00	EZ	Retail sales (mom, %)	Dec		-1,6	0,6
			16 : 00	US	ISM non-Manufacturing PMI (points)	Jan		57,0	57,6
	6.		8 : 00	DE	Industrial orders (mom, %)	Dec		0,3	-1,0
			11 : 00	EU	European Commission's Economic Forecast	-		-	-
			14 : 00	PL	Interest rate decision (%)	Feb			1,5
			20 : 00	US	Jerome Powell Fed Chairman's speech	-		-	-
	7.		0 : 00	RO	Interest rate decision (%)	Feb		2,5	2,5
			8 : 00	DE	Industrial production (mom, %)	Dec		0,7	-1,9
			9 : 00	HU	Industrial production (preliminary, yoy, %)	Dec		-	4,0
			10 : 00	HU	International reserves (preliminary, EURbn)	Jan		-	27,4
			13 : 00	UK	Interest rate decision (%)	Feb		0,8	0,8
			14 : 00	CZ	Interest rate decision (%)	Feb			1,8
			14 : 30	US	Continuing jobless claims ('000s)	weekly			1 782,0
			14 : 30	US	Initial jobless claims ('000s)	weekly		227,0	253,0
	8.		8 : 00	DE	Export (mom, %)	Dec		0,6	-0,4
			9 : 00	HU	Trade balance (preliminary, monthly, EUR mn)	Dec		-	496,0
			11 : 00	HU	Fiscal balance (monthly, billion HUF)	Jan		-	397,3
2019.02.01-02.15				US	Construction expenditure (mom, %)	Nov		0,2	-0,1
2019.02.01-02.15				US	Building permits (annualized monthly, '000s)	Dec		1 290,0	1 322,0
2019.02.01-02.15				US	Housing starts (annualized monthly, '000s)	Dec		1254,0	1 256,0
2019.02.01-02.15				US	Retail sales (yoy, %)	Dec		0,2	0
2019.02.01-02.15				US	Durable goods orders (mom, %)	Dec		1,8	
2019.02.01-02.15				US	Factory orders (mom, %)	Nov		0,2	-2
2019.02.01-02.15				US	New home sales (annualized monthly, '000s)	Nov		560,0	544
2019.02.01-02.15				US	Federal budget balance (USDbn)	Dec		-12,0	-205
2019.02.01-02.15				US	Personal income (mom, %)	Dec		0,5	0
2019.02.01-02.15				US	Personal consumption (adjusted, mom, %)	Dec		0,3	0
2019.02.01-02.15				US	GDP (preliminary, annualized qoq, %)	Q4		2,6	3

Sources: Reuters, OTP Research

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