

# Global Daily Report



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## Summary

- Optimism ruled advanced economies' stock markets on Tuesday.
- A new proposal emerged, to break Brexit impasse.
- The EZ PMI came in stronger than the preliminary reading; the UK's services sector PMI fell to 2.5-year low

Tuesday's optimistic sentiment on the stock exchanges of the developed world largely stemmed from favourable corporate reports. The quarterly report of Intesa Sanpaolo (+1.6%) printed pale figures but its net profit for whole year 2018 reflected robust growth. The share price of the UK-based oil and gas giant BP surged more than 5% as its profit had beaten expectations.

The US 10Y Treasury note yield dipped two basis points, to 2.7%. The yield on British government bonds sank to 1.23%.

The EUR dropped 0.3% versus the US dollar.

Following yet another Brexit fiasco on Monday, the EU's chief Brexit negotiator Michel Barnier came up with a new idea – the UK parliament shall adopt the current bill, in order to avoid a no-deal departure at the end of March, and then, in the interim period that lasts until end-2020, negotiations on the Irish border issue may continue.

Basic income, one of the most controversial election promises of Italy's government, may be available from April, according to Italian media sources. To be eligible for the allowance, beneficiaries must actively seek employment during the 18 months of payment; authorities will regularly check the fulfilment of this requirement.

WTI sank 1.4%, as investors worry that today's release of the EIA's figures would reveal an increase in inventories. Brent slipped by 0.8%, to USD 62.

The eurozone's services sector purchasing managers' index (PMI) was revised slightly upwards in the second estimate (to 51.2). The January IHS/CIPS PMI data reveal that the UK's services sector could barely grow – the 50.1-point gauge is just a touch above the 50 mark that separates expansion from stagnation, and it marks a 2.5-year low.

The USA's ISM non-manufacturing index also caused disappointment yesterday, owing to the sharper-than-expected decline in January (56.7). What is particularly worrisome is that the negative surprise stemmed from a sharp fall in the new orders component.

Donald Trump's State of the Union address before Senate and the House of Representatives took place after market hours. The president pointed out that his trade policy serves the protection of American intellectual property rights, and his talks with North Korea brought significant progress in resolving the tense relations.

The stock markets of mainland China and Hong Kong were closed on the national holiday. Japan's Nikkei225 edged somewhat higher.

Today the USA the Fed's chair Jerome Powell will make a speech at a Richmond Fed event, for the first time since the FOMC's dovish announcement at the end of January. In the midst of the earnings season, the figures of BNP Paribas, ING, Societe Generale and MetLife will see the light of day 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	2737,7	0,5	9,2	VIX	15,6	-1,0	-39	WTI	53,8	-1,4	18,5
	DOW	25411,5	0,7	8,9	US 2Y	2,52	-1,0	2	Brent	61,98	-0,8	15,2
	Nasdaq100	7023,5	0,9	11,0	US 10Y	2,70	-2,0	1	Gold	1315,0	0,2	2,5
	DAX	11368,0	1,7	7,7	GER 2Y	-0,57	0,6	2	Silver	15,84	-0,1	2,3
	CAC40	5083,3	1,7	7,5	GER 10Y	0,17	-1,4	-8	EUR/USD	1,1412	-0,2	-0,5
	FTSE 100	7177,4	2,0	6,7	PT10Y	1,68	1,4	-5	EUR/GBP	0,8812	0,5	-1,9
	FTSE MIB	19833,5	1,2	8,2	IT 10Y	2,80	4,2	2	EUR/NOK	9,6773	0,0	-2,3
	Stoxx600	365,0	1,4	8,1	SP 10	1,26	0,4	-16	USD/CAD	1,3124	0,1	-3,8
	- Banks	118,7	1,3	5,0	iTRAXX	69,6	-2,9	-20,9	AUD/USD	0,7234	0,1	2,6
	Nikkei 225	20881,5	0,2	4,3	JPY 2Y	-0,16	0,6	-2	USD/JPY	109,96	0,1	0,4
SSEC	2618,2	0,0	5,0	JPY 10Y	-0,01	-0,1	-2	GBP/USD	1,2942	-0,7	1,5	
Regional	RTS	1223,5	1,0	14,8	RUS10	8,1	-0,4	-7	USD/RUB	65,582	0,1	-5,9
	WIG20	2409,32	0,8	5,8	POL 10	2,7	-1,0	-3	EUR/PLN	4,29	0,1	-0,1
	PX50	1060,0	0,8	7,4	CZ10	1,7	1,2	-11	EUR/RON	4,740	-0,2	1,9
Hungary	BUX	40474	-0,9	3,4	3M DKJ	0,15	0,0	8	EUR/HUF	317,44	0,1	-1,1
	OTP	11360	-0,1	0,6	1Y	0,44	-0,6	-1	USD/HUF	278,30	0,3	-0,5
	MOL	3232	-2,1	5,0	3Y	1,07	-0,3	-18	CHF/HUF	278,24	0,0	-2,5
	MTelekom	469	0,2	6,6	5Y	2,30	4,0	-23	PLN/HUF	74,03	0,0	-0,8
	Richter	5800	-1,3	6,8	10Y	2,72	1,9	-32	GBP/HUF	359,90	-0,8	1,0

\* 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	4,1	-	4,9
	11 : 00	EZ Retail sales (mom, %)	Dec	-1,6	-1,6	0,6
	16 : 00	US ISM non-Manufacturing PMI (points)	Jan	56,7	57,2	57,6
6.	8 : 00	DE Industrial orders (mom, %)	Dec	-1,6	0,3	-1,0
	14 : 00	PL Interest rate decision (%)	Feb			1,5
	20 : 00	US Jerome Powell 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
	11 : 00	EU European Commission's Economic Forecast	-		-	-
	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
	14 : 30	US Initial jobless claims ('000s)	weekly		227	253
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	1 322
2019.02.01-02.15		US Housing starts (annualized monthly, '000s)	Dec		1 254	1 256
2019.02.01-02.15		US Retail sales (yoy, %)	Dec		0,2	0,2
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	-2,1
2019.02.01-02.15		US New home sales (annualized monthly, '000s)	Nov		560	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	0,2
2019.02.01-02.15		US Personal consumption (adjusted, mom, %)	Dec		0,3	0,4
2019.02.01-02.15		US GDP (preliminary, annualized qoq, %)	Q4		2,6	3,4

Sources: Reuters, OTP Research

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