



## Summary

- Donald Trump remains optimistic about trade talks, equity markets climbed higher.
- A mixed bag of earnings reports was released on both sides of the Atlantic.
- The US dollar firmed against the euro and the GBP.
- Germany's stagnant Q4 GDP missed expectations.

The optimism persisted in Europe and the USA – the encouraging communication about the Sino-American trade talks drove investors towards equity markets. In Europe, the Stoxx600 increased by 0.6% by the end of Wednesday, the DAX upped 0.4%, and the FTSE gained 0.8%. Europe's key benchmarks opened with slight gain, wobbled at midday, but regained confidence when US markets opened and news reports from America benefited markets. Speaking in his White House office on Wednesday, Donald Trump told reporters that trade talks with China were making headway, Bloomberg reported. Together with his Tuesday's statement, this gives further ground for optimism that the trade conflict may be resolved. The introduction of new tariffs may be postponed by 60 days from 1 March, sources close to the administration said.

In Europe, it was mainly mining companies who profited from these reports: Antofagasta's share price jumped 3% higher, BHP surged 2.4%, AngloAmerican advanced 2.0% as did Fresnillo. Germany's car producers, which are vulnerable to trade-related news reports, Daimler went up 1.8%, BMW advanced 0.6%, while Volkswagen reversed 0.1%. In terms of corporate reports, the Dutch stock exchange was active: ABN Amro fell 8% dragged down by a disappointing quarterly report, while Heineken rallied 6% as its profit exceeded expectations, and Akzo Nobel grew by 3% by the same token. Commerzbank and Puma (Germany) and AstraZeneca (UK) will release their quarterly reports today.

America ran out of steam by the end of the day, thus the benchmark indices closed only slightly higher. Florida's Senator Marco Rubio is to submit a bill, proposing to tax corporate share buybacks like dividends. The S&P preserved 0.3% of the gains by the close, the Dow ended 0.5% higher, while the Nasdaq100 inched minimally down. The S&P's growth was fuelled by the energy and cyclical consumption sectors, while technology and communications were laggards. Dish Network, the satellite company tumbled almost 8% as its quarterly figures missed expectations. Netflix shrank more than 2%. TripAdvisor plunged almost 6% owing to a disappointing earnings report. Hilton Worldwide and Activision Blizzard both sky-rocketed 7%, thanks to the upside surprise in their earnings figures – the hotel chain's profit guidance was cheering but the latter announced a restructuring plan, cutting 8% of the jobs. Among others, NVidia will publish its report today.

A slight dollar firming sent the EUR/USD 0.5% down, to close below 1.128, while the GBP/USD ended Wednesday's trading 0.4% lower, at 1.2879. The January gauge of US headline inflation was better than expected but the year/year core price index was slightly higher than had been thought. On global bond markets, yields went in different directions: the US 10Y yield inched up 1 bp, while the German Bund edged one basis point lower, the UK's bond yield stagnated, while that of Italy fell six basis points yesterday.

On the commodity market, Brent upped 1.9%, WTI rose by 1.4% as the USA's oil imports undershot expectations, in part because Venezuelan imports dropped out, and partly because of Saudi Arabia's production cut. Industrial metal prices moved in mixed directions yesterday. Gold and silver lost 0.3% and 0.5% of their value, respectively. In the CEE region, the sentiment was rather unenthusiastic: Poland's WIG20 descended 1.0%, Hungary's BUX slipped 0.7%, while the Czech PX index inched up 0.1%.

This morning in Asia most benchmarks stood in the red. Japan's Nikkei and China's Shanghai Composite posted slight losses, and the Hang Seng shed 0.3%. Japan's GDP rose by 0.3% in quarter/quarter comparison, a tad slower than had been estimated.

Germany Q4 GDP figure signifies stagnation in comparison with the third quarter, but expanded by 0.6% in year/year terms. Both gauges miss market expectations.

A batch of GDP data will be published in the eurozone and elsewhere 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	2753,0	0,3	9,8	VIX	15,7	1,4	-38	WTI	53,9	1,4	18,7
	DOW	25543,3	0,5	9,5	US 2Y	2,54	3,5	4	Brent	63,61	1,9	18,2
	Nasdaq100	7015,9	0,0	10,8	US 10Y	2,71	2,2	2	Gold	1306,1	-0,3	1,8
	DAX	11167,2	0,4	5,8	GER 2Y	-0,56	1,1	3	Silver	15,57	-0,9	0,5
	CAC40	5074,3	0,4	7,3	GER 10Y	0,12	-0,9	-12	EUR/USD	1,1265	-0,5	-1,8
	FTSE 100	7190,8	0,8	6,9	PT10Y	1,61	-3,7	-11	EUR/GBP	0,8765	-0,2	-2,4
	FTSE MIB	19989,9	0,9	9,1	IT 10Y	2,79	-5,9	1	EUR/NOK	9,7544	-0,4	-1,5
	Stoxx600	365,0	0,6	8,1	SP 10	1,24	-0,2	-18	USD/CAD	1,3252	0,1	-2,8
	- Banks	117,7	0,2	4,1	iTRAXX	70,3	-0,8	-20,1	AUD/USD	0,7088	-0,1	0,6
	Nikkei 225	21139,7	0,0	5,6	JPY 2Y	-0,16	0,0	-3	USD/JPY	110,99	0,5	1,3
	SSEC	2719,7	-0,1	9,1	JPY 10Y	-0,01	-0,6	-1	GBP/USD	1,2844	-0,4	0,7
Regional	RTS	1190,8	-2,0	11,7	RUS10	8,2	0,6	-6	USD/RUB	66,509	1,1	-4,6
	WIG20	2346,39	-1,0	3,1	POL 10	2,7	-0,5	-4	EUR/PLN	4,34	0,2	1,1
	PX50	1058,1	0,1	7,2	CZ10	1,8	2,6	-10	EUR/RON	4,740	-0,1	1,9
Hungary	BUX	40221	-0,7	2,8	3M DKJ	0,13	0,0	6	EUR/HUF	318,85	0,2	-0,6
	OTP	11400	-1,6	1,0	1Y	0,46	0,6	1	USD/HUF	283,09	0,9	1,2
	MOL	3284	1,4	6,7	3Y	1,08	-0,2	-18	CHF/HUF	280,21	0,3	-1,8
	MTelekom	470	1,4	6,7	5Y	2,29	-2,0	-24	PLN/HUF	73,50	0,0	-1,5
	Richter	5510	-2,5	1,5	10Y	2,75	2,1	-29	GBP/HUF	363,53	0,2	2,0

\* 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. 11. 10 : 30	UK	Industrial production (mom, %)	Dec	-0,5	0,2	-0,4
10 : 30	UK	GDP (preliminary, qoq, %)	Q4	0,2	0,2	0,6
12. 9 : 00	HU	Inflation (yoy, %)	Jan	2,7	2,8	2,7
9 : 00	HU	Core inflation (yoy, %)	Jan	3,2		2,8
13. 9 : 00	HU	Industrial production (second estimate, yoy, %)	Dec	5,4	-	5,4*
9 : 00	HU	Construction output (yoy, %)	Dec	17,5	-	27,3
10 : 30	UK	Inflation (yoy, %)	Jan	1,8	1,9	2,1
10 : 30	UK	Core inflation (yoy, %)	Jan	1,9	1,9	1,9
11 : 00	EZ	Industrial production (mom, %)	Dec	-0,9	-0,3	-1,7
14 : 30	US	CPI (yoy, %)	Jan	1,6	1,5	1,9
14 : 30	US	core-CPI (mom, SA, %)	Jan	0,0	0,1	0,0
14 : 30	US	core-CPI (yoy, %)	Jan	2,2	2,1	2,2
14 : 30	US	core-CPI (mom, SA, %)	Jan	0,2	0,2	0,2
20 : 00	US	Federal budget balance (USDbn)	Dec	-14,0	-11,0	-205,0
14. 0 : 50	JP	GDP (preliminary, qoq, %)	Q4	0,3	0,4	-0,6
8 : 00	DE	GDP (preliminary, SA, qoq, %)	Q4	0,0	0,1	-0,2
8 : 00	RO	GDP (preliminary, yoy, %)	Q4	0,6	3,9	4,4
9 : 00	EZ	GDP (preliminary, yoy, %)	Q4		1,2	1,2*
9 : 00	EZ	GDP (preliminary, qoq, %)	Q4		0,2	0,2*
9 : 00	HU	GDP (yoy, %)	Q4		4,6	4,9
9 : 00	HU	GDP (qoq, %)	Q4			1,3
9 : 00	SK	GDP (preliminary, yoy, %)	Q4		4,4	4,6
10 : 00	PL	GDP (preliminary, qoq, %)	Q4			1,7
10 : 30	PT	GDP (preliminary, qoq, %)	Q4			0,3
11 : 00	EZ	GDP (second estimate, yoy, %)	Q4		1,2	1,2*
11 : 00	EZ	GDP (second estimate, qoq, %)	Q4		0,2	0,2*
14 : 30	US	Continuing jobless claims ('000s)	weekly		1 740,0	1 736
14 : 30	US	Initial jobless claims ('000s)	weekly		225,0	234
16 : 00	US	Business inventories (mom, %)	Nov		0,3	0,6
15. 9 : 00	CZ	GDP (qoq, %)	Q4			0,6
10 : 30	UK	Retail sales (mom, %)	Jan		0,1	-0,9
14 : 30	US	New York Fed Manufacturing index (points)	Feb		7,0	3,9
14 : 30	US	Retail sales (mom, %)	Jan		0,2	0,2
15 : 15	US	Industrial production (mom, %)	Jan		0,2	0,3
16 : 00	US	Michigan Consumer confidence (preliminary, points)	Feb		93,0	91,2
2019.02.11-02.15	US	Construction expenditure (mom, %)	Dec		0,2	0,8
2019.02.11-02.15	US	Building permits (annualized monthly, '000s)	Dec		1 290	1 322
2019.02.11-02.15	US	Housing starts (annualized monthly, '000s)	Dec		1 254	1 256
2019.02.11-02.15	US	Retail sales (yoy, %)	Dec		0,2	0,2
2019.02.11-02.15	US	Durable goods orders (mom, %)	Dec		1,8	1
2019.02.11-02.15	US	Factory orders (mom, %)	Dec		0,2	-0,6
2019.02.11-02.15	US	New home sales (annualized monthly, '000s)	Dec		570	657
2019.02.11-02.15	US	Personal income (mom, %)	Dec		0,5	0,2
2019.02.11-02.15	US	Personal consumption (adjusted, mom, %)	Dec		0,3	0,4
2019.02.11-02.15	US	GDP (preliminary, annualized qoq, %)	Q4		2,6	3,4

\* preliminary data

Sources: Reuters, OTP Research

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