

Summary

- US markets fell sharply on Friday, and Western Europe also closed down
- The stronger-than-expected US wage growth data triggered a rise in America's long-term yields
- Hungary's forint faltered and long-term yields continued their uptick

The Dow Jones Industrial Average suffered its sixth sharpest intraday fall on record (by value) on Friday, when a 600-point slide took all of its 30 components in the red. On each day last week, the S&P500 closed lower than it had opened. The VIX index, an indicator of market volatility, jumped 27%, its highest rate in 18 months. One reason that soured the sentiment was the stronger-than-expected US labour market figure for January, which sent long-term yields higher. Another was one a document, published by Republicans, on the FBI's alleged support of Democrats during the presidential election campaign.

Despite a slight dollar firming, the EUR/USD remained above 1.24. Crude oil prices edged down. On Friday Janet Yellen stepped down – the Fed's first female chair will work in the Brookings Institute in Washington, where Ben Bernanke works. Her successor, Jerome Powell is likely to be sworn in today.

Western Europe's key stock markets all closed in the red too.

The BUX fell, as all of its blue chips headed down. Opus generated massive turnover, closing 4.2% higher. The winner of the day, Csepel skyrocketed 20%.

Hungary's long-term yields continued their up moves. The secondary-market reference yield on the 10Y bond was 2.47% on Friday. The EUR/HUF nudged higher, settling around 310 at the weekend.

US non-farm payroll grew by 200,000 in January, beating the forecast of 181,000. What is more interesting is that the month/month wage dynamic also overshot polls, and the previous month's figure was also revised up. This has accelerated wages' annual growth to 2.9%, its highest since 2009. This release caused an increase in long-term yields, even though the San Francisco Fed chair tried to dampen expectations that tighter monetary policy may follow.

In today's publications, the eurozone will release retail sales statistics and the Sentix index. The ISM non-manufacturing PMI is due out in the USA. Hungary will publish retail sales data.

	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	2762,1	-2,1	3,3	VIX	17,3	29	57	WTI	65,45	-0,5	8,3
	DOW	25521,0	-2,5	3,2	US 2Y	2,2	-1	26	Brent	68,58	-1,5	2,6
	Nasdaq100	6760,3	-2,0	5,7	US 10Y	2,9	8	44	Arany	1332,92	-1,2	2,3
	DAX	12785,2	-1,7	-1,0	GER 2Y	-0,5	1	9	Ezüst	16,59	-3,7	-2,1
	CAC40	5365,0	-1,6	1,0	GER 10Y	0,8	5	34	EUR/USD	1,25	-0,4	3,9
	FTSE 100	7443,4	-0,6	-3,2	PT10Y	2,0	6	6	EUR/GBP	0,88	0,6	-0,7
	FTSE MIB	23202,7	-1,4	6,2	IT 10Y	2,0	8	3	EUR/NOK	9,63	0,8	-2,2
	Stoxx600	388,1	-1,4	-0,3	SP 10	1,5	5	-11	USD/CAD	1,24	1,3	-1,2
	- Banks	177,3	-1,4	7,4	iTRAXX	45,3	3	0	AUD/USD	0,79	-1,5	1,5
	Nikkei 225	22682,1	-3,4	-0,4	JPY 2Y	-0,1	-1	1	USD/JPY	110,09	0,6	-2,3
SSEC	3487,5	0,7	5,5	JPY 10Y	0,1	0	3	GBP/USD	1,41	-1,0	4,5	
Regional	RTS	1272,8	-1,6	10,3	RUS10	7,2	0	-5	USD/RUB	56,523	1,0	-2,0
	WIG20	2507,2	-1,1	1,9	POL 10	3,6	2	10	EUR/PLN	4,17	0,4	-0,2
	PX50	1129,1	-1,0	4,7	CZ10	1,8	1	19	EUR/RON	4,647	-0,1	-0,7
Hungary	BUX	39951	-0,7	1,5	3M T-Bill	0,03	0	-1	EUR/HUF	309,70	0,3	-0,3
	OTP	11460	-0,9	6,9	1Y	0,07	0	2	USD/HUF	248,49	0,7	-4,0
	MOL	3040	-1,3	1,2	3Y	0,64	-1	9	CHF/HUF	267,08	0,2	0,8
	MTelekom	466	-0,2	1,7	5Y	1,44	3	27	PLN/HUF	74,39	0,1	0,1
	Richter	6405	-0,2	-5,5	10Y	2,62	20	57	GBP/HUF	351,65	-0,2	0,7

* 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.
2018 01. 5.	9 : 00	HU Retail sales (first estimate, yoy, %)	Dec.		-	6,7
	10 : 30	EZ Sentix Investor confidence (points)	Febr.		-	32,9
	11 : 00	EZ Retail sales (mom, %)	Dec.		-1,0	1,5
	16 : 00	US ISM Manufacturing PMI (points)	Jan.		56,3	55,9
6.	8 : 00	DE Industrial orders (mom, %)	Dec.		0,5	-0,4
7.	8 : 00	DE Industrial production (mom, %)	2017		-0,5	3,4
	9 : 00	HU Industrial production (preliminary, yoy, %)	Dec.		-	3,4
	13 : 00	RO Interest rate decision (%)	Febr.		-	2,0
	13 : 00	PL Interest rate decision (%)	Febr.		-	1,5
	23 : 00	HU International reserves (preliminary, EURbn)	Jan.		-	23,4
8.	4 : 00	CN Export (yoy, %)	Jan.		9,5	10,9
	4 : 00	CN Import (yoy, %)	Jan.		10,0	4,5
	8 : 00	DE Export (mom, %)	Dec.		-1	4
	11 : 00	HU Fiscal balance (monthly, billion HUF)	Jan.		-	-334,9
	13 : 00	UK Interest rate decision (%)	Febr.		0,5	0,5
9.	9 : 00	HU Trade balance (preliminary, monthly, EUR mn)	Dec.		-	718,0
	10 : 30	UK Industrial production (mom, %)	Dec.		-0,9	0,4

*preliminary data

Sources: Reuters, OTP Research

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