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Daily Report

Summary

- Buoyancy ruled global stock markets yesterday
- Most countries in Europe posted robust Q4 GDP figures yesterday
- The January gauge of US inflation topped expectations; gold price has risen
- Despite the accelerating US inflation, the EUR/USD picked up before Wednesday's close.

In Wednesday's positive trading sentiment on global stock markets, the DAX advanced 1.2%, the CAC40 added 1.1%, while the FTSE100 upped 0.6%. On the other side of the Atlantic, the S&P500 rose by 1.3% and the NASDAQ 100 surged 1.8%. The CEE region was likewise optimistic, with the WIG20 closing 0.7% higher, and the BUX climbing 0.2%. Most Hungarian blue chips made gains, except for the drop in OTP's share price.

Hand in hand with stock prices, German and American government bond yields also picked up yesterday. In the USA, the 2Y and 10Y yields rose by seven basis points each. The German 10Y Bund yield nudged marginally higher but the 2Y bond yield was up eight basis points.

Most of the benign sentiment on equity markets stemmed from the robust GDP growth data released yesterday. Germany, Italy, and the countries of Central and Eastern Europe expanded impressively, helping the eurozone to a total 2.7% year-over-year growth in the fourth quarter. The only surprise in Wednesday's data was the US inflation, which surpassed expectations by a large margin. This confounded analysts who had forecast 1.8% deceleration in January, from 2.1% December. The growth in inflation was driven by higher energy, medical care, and clothing prices.

Word on the stronger-than-thought US inflation triggered an immediate dollar strengthening, which later reversed, sending the EUR/USD closer to 1.25. The US dollar lost strength against all important currencies.

The EUR/HUF barely changed but the shift in the EUR/USD pushed the USD/HUF 1% lower in Wednesday's trading

Crude prices rallied 2.5%, probably because of the strong macroeconomic figures. The more than 1.5% growth in precious metal prices can be put down to the intensifying inflation fears.

The New York Fed manufacturing index and the January USA industrial production data are worth keeping an eye on 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	2698,6	1,3	0,9	VIX	19,3	-23	74	WTI	60,60	2,8	0,3
	DOW	24893,5	1,0	0,7	US 2Y	2,2	7	28	Brent	64,36	2,6	-3,8
	Nasdaq100	6675,0	1,8	4,4	US 10Y	2,9	7	50	Arany	1350,68	1,6	3,7
	DAX	12339,2	1,2	-4,5	GER 2Y	-0,5	8	14	Ezüst	16,87	1,9	-0,4
	CAC40	5165,3	1,1	-2,8	GER 10Y	0,8	1	33	EUR/USD	1,24	0,8	3,8
	FTSE 100	7214,0	0,6	-6,2	PT10Y	2,1	-5	14	EUR/GBP	0,89	0,1	0,1
	FTSE MIB	22433,8	1,8	2,7	IT 10Y	2,1	-2	6	EUR/NOK	9,71	-0,2	-1,4
	Stoxx600	374,5	1,1	-3,8	SP 10	1,5	-2	-6	USD/CAD	1,25	-0,8	-0,7
	- Banks	170,7	1,6	3,4	iTRAXX	54,8	-4	21	AUD/USD	0,79	0,8	1,6
	Nikkei 225	21465,0	1,5	-5,7	JPY 2Y	-0,2	0	-1	USD/JPY	107,00	-0,8	-5,0
SSEC	3199,2	0,0	-3,3	JPY 10Y	0,1	0	1	GBP/USD	1,40	0,8	3,6	
Regional	RTS	1244,9	1,5	7,8	RUS10	7,1	0	-6	USD/RUB	56,686	-1,7	-1,7
	WIG20	2449,8	0,7	-0,5	POL 10	3,5	0	6	EUR/PLN	4,15	-0,3	-0,5
	PX50	1109,6	-0,2	2,9	CZ10	1,8	0	21	EUR/RON	4,658	0,0	-0,4
Hungary	BUX	38454	0,2	-2,3	3M T-Bill	0,01	-2	-3	EUR/HUF	311,76	0,0	0,4
	OTP	11580	-0,2	8,0	1Y	0,07	0	2	USD/HUF	250,35	-0,8	-3,3
	MOL	2898	0,1	-3,6	3Y	0,58	-11	3	CHF/HUF	269,61	-0,1	1,7
	MTelekom	465	1,1	1,4	5Y	1,47	0	30	PLN/HUF	75,00	0,2	1,0
	Richter	5520	0,4	-18,6	10Y	2,53	0	49	GBP/HUF	350,32	-0,1	0,3

* 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 2. 12.	9 : 00	HU Construction output (yoy, %)	Dec.	35,0	-	30,7
	20 : 00	US Federal budget balance (USDbn)	Jan.	49,0	51,0	-23,0
13.	9 : 00	HU Industrial production (second estimate, yoy, %)	Dec.	-0,5	-	-0,5*
	9 : 00	HU Inflation (yoy, %)	Jan.	2,1	2,1	2,1
	9 : 00	HU Core inflation (yoy, %)	Jan.	2,5	-	2,6
	10 : 30	UK Inflation (yoy, %)	Jan.	3,0	2,9	3,0
	10 : 30	UK Core inflation (yoy, %)	Jan.	2,7	2,6	2,5
14.	0 : 50	JP GDP (preliminary, qoq, %)	Q4	0,1	0,2	0,6
	8 : 00	DE CPI (final, yoy, %)	Jan.	1,6	1,6	1,6*
	8 : 00	DE GDP (preliminary, yoy, SA, %)	Q4	2,9	3,0	2,8
	8 : 00	DE GDP (preliminary, qoq, SA, %)	Q4	0,6	0,6	0,8
	9 : 00	HU GDP (preliminary, yoy, %)	Q4	4,4	4,1	3,9
	9 : 00	HU GDP (preliminary, qoq, %)	Q4	1,3	-	0,9
	8 : 00	RO GDP (preliminary, yoy, %)	Q4	6,9	7,0	8,8
	9 : 00	SK GDP (preliminary, yoy, %)	Q4	3,5	3,4	3,4
	10 : 00	IT GDP (preliminary, yoy, %)	Q4	1,6	1,6	1,8
	10 : 00	PL GDP (preliminary, yoy, %)	Q4	5,1	5,2	4,9
	11 : 00	EZ Industrial production (mom, %)	Dec.	0,4	-0,1	1,0
	11 : 00	EZ GDP (preliminary, yoy, %)	Q4	2,7	2,7	2,7*
	11 : 00	EZ GDP (preliminary, qoq, %)	Q4	0,6	0,6	0,6*
	14 : 30	US CPI (yoy, %)	Jan.	2,1	2,1	2,1
	14 : 30	US CPI (mom, %)	Jan.	0,5	0,3	0,1
	14 : 30	US core-CPI (yoy, %)	Jan.	1,8	1,8	1,8
	14 : 30	US core-CPI (mom, %)	Jan.	0,3	0,2	0,3
	14 : 30	US Retail sales (mom, %)	Jan.	-0,3	0,3	0,4
	16 : 00	US Business inventories (mom, %)	Dec.	0,4	0,30	0,4
15.	14 : 30	US New York Fed Manufacturing index (points)	Febr.		17,7	17,7
	15 : 15	US Industrial production (mom, %)	Jan.		0,4	0,9
16.	9 : 00	SK GDP (preliminary, yoy, %)	Q4		2,7	2,5
	10 : 30	UK Retail sales (mom, %)	Jan.		0,30	-1,5
	14 : 30	US Housing starts (annualized monthly, '000s)	Jan.		1215	1192
	14 : 30	US Building permits (annualized monthly, '000s)	Jan.		1300	1300
	16 : 00	US Michigan Consumer confidence (preliminary, points)	Febr.		95,5	94,4
		HU S&P's Credit Rating decision	-			BBB-

* preliminary data

Sources: Reuters, OTP Research

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