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Daily Report

Summary

- Thursday's trading was benign on both sides of the Atlantic. Asia closed higher this morning.
- The US dollar continued its losing streak against the euro.
- US manufacturing data disappointed.

Thursday was the fifth day in a row for the major US equity markets to grind higher, benefiting from the optimistic sentiment. Rising 1.2%, the Dow exceeded the 25,000 line again, largely fuelled by Cisco System's 5% soaring as the tech company's Q4 profit surpassed analysts' estimations. Another winner of the day was Apple – the IT giant's shares surged more than 3% on news that Warren Buffet's Berkshire Hathaway boosted its stake in Apple by 31.24 million shares in December 2017, lifting its current holding to 165.33 mn stocks. Elsewhere in the corporate world, Trip Advisor marched 3.8% higher owing to better-than-expected profit in its earnings report.

Europe's key indices closed in the green yesterday. Airbus was one of the winners of the day – the European aircraft manufacturer's stocks rallied 10.3%, thanks to the cheering cash-flow line in its quarterly report. The rise in commodity prices, a result of the dollar's ailing, benefited mining companies: Glencore rose by 1.5%, and the steel manufacturer ArcelorMittal upped 1.3%. Nestlé was a loser of the day; the Swiss-based food chain's share dipped 2.1%, after disclosing the lowest growth in turnover for decades.

On Thursday the European Commission said that Facebook and Twitter need to do more to meet the EU's consumer protection requirements as they failed to comply with the EU resolutions to limit misleading users, the Commission said. The news caused an immediate drop in the media companies' share prices but they later picked up.

In sync with the supportive external sentiment, the BUX also rose yesterday but the sentiment soured before the close, and the Hungarian index preserved only 0.2% of the gains by the close. Mol, OTP and Magyar Telekom all sank 0.9-1.1%, only Richter rallied 4.5%. Opus posted the biggest gain (+10.6%) as the management decided to brace for a massive capital increase, to be completed by end-June, which may boost Opus's own capital to more than HUF 75 billion.

Hungary's government securities' market was rather muted. The 10Y German Bund yield inched up, while the 10Y US Treasury note yield slipped.

The EUR/USD's initial dip on Thursday morning was supported by the faster-than-expected inflation figure. But the direction reversed later when a disappointing US retail sales statistics came out. This made Thursday the fourth consecutive day for the EUR/USD to close higher.

The greenback's ailing raised commodity prices: the WTI advanced 0.9% and gold rose 0.2%.

Bitcoin jumped 6%, surpassing the USD 10,000 line again.

US industrial production volume contracted by 0.1% in January, wrong-footing analysts who had projected 0.3% expansion, and it is also short of the 0.9% growth in the previous month. The New York Fed manufacturing index stood at 13.1 in February, missing analysts' prediction of 17.5.

Today's highlights include statistics on America's housing market, as well as the University of Michigan's consumer sentiment index. S&P is to revise Hungary's credit rating.

	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	2731,2	1,2	2,2	VIX	19,1	-1	73	WTI	61,17	0,9	1,2
	DOW	25200,4	1,2	1,9	US 2Y	2,2	1	29	Brent	64,33	0,0	-3,8
	Nasdaq100	6794,9	1,8	6,2	US 10Y	2,9	-2	48	Arany	1353,20	0,2	3,9
	DAX	12346,2	0,1	-4,4	GER 2Y	-0,5	0	13	Ezüst	16,87	0,0	-0,4
	CAC40	5222,5	1,1	-1,7	GER 10Y	0,8	1	34	EUR/USD	1,25	0,5	4,2
	FTSE 100	7234,8	0,3	-5,9	PT10Y	2,0	-2	12	EUR/GBP	0,89	-0,3	-0,1
	FTSE MIB	22495,6	0,3	2,9	IT 10Y	2,1	1	7	EUR/NOK	9,71	0,0	-1,4
	Stoxx600	376,5	0,5	-3,3	SP 10	1,5	0	-6	USD/CAD	1,25	-0,1	-0,8
	- Banks	172,5	1,1	4,6	iTRAXX	52,8	-4	17	AUD/USD	0,79	0,3	1,8
	Nikkei 225	21779,0	1,5	-4,3	JPY 2Y	-0,2	0	-2	USD/JPY	106,11	-0,8	-5,8
SSEC	3199,2	0,0	-3,3	JPY 10Y	0,1	0	1	GBP/USD	1,41	0,7	4,3	
Regional	RTS	1262,3	1,4	9,3	RUS10	7,1	0	-6	USD/RUB	56,386	-0,5	-2,2
	WIG20	2423,6	-1,1	-1,5	POL 10	3,5	0	6	EUR/PLN	4,15	0,0	-0,5
	PX50	1111,9	0,2	3,1	CZ10	1,8	0	21	EUR/RON	4,661	0,1	-0,4
Hungary	BUX	38523	0,2	-2,2	3M T-Bill	0,01	0	-3	EUR/HUF	311,01	-0,2	0,2
	OTP	11450	-1,1	6,8	1Y	0,07	0	2	USD/HUF	248,59	-0,7	-4,0
	MOL	2868	-1,0	-4,6	3Y	0,65	7	10	CHF/HUF	269,70	0,0	1,8
	MTelekom	461	-0,9	0,5	5Y	1,52	5	35	PLN/HUF	74,85	-0,2	0,8
	Richter	5770	4,5	-14,9	10Y	2,52	-1	48	GBP/HUF	350,64	0,1	0,4

* 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.	13,1	17,5	17,7
	15 : 15	US Industrial production (mom, %)	Jan.	-0,1	0,2	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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