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Daily Report

Summary

- The USA-China partial trade agreement was signed yesterday.
- Global stock markets were rather cautious on Wednesday; bond yields dropped further, the USD weakened.
- Oil prices fell while precious metals grew yesterday.
- The quarterly revenue of the TSMC chipmaker, a supplier to Apple, has beaten expectations.

Trading sentiment remained cautious on global stock markets, where most benchmarks barely moved on Wednesday. In the USA, the Dow added 0.3%, the S&P inched up 0.2%, and the Nasdaq100 closed nearly flat – all of them had hit record highs earlier in the day. In Europe, the Stoxx600 nudged trivially higher, the FTSE upped 0.3%, while the DAX shed 0.2%. On Europe's stock markets, defensive sectors fared well and the vehicle industry underperformed yesterday. The Dutch-based ASM chipmaker's share price jumped almost 9% as the company reported a strong increase in Q4 orders.

On the other side of the Atlantic, defensive sectors advanced yesterday; the utilities, health care, and the non-cyclical consumption sectors made the biggest gains. US President Donald Trump signed the first phase of a trade deal with China, under which the latter committed itself to no less than providing greater protection for US technology and business secrets, and to boost its import of American goods by USD 200 billion in the following years. Inking the agreement gave impetus to stock indices, even if the Bank of America and Goldman Sachs published worse-than-expected quarterly reports.

A slight dollar weakening led the EUR/USD 0.2% higher, to 1.1151; the Bloomberg Dollar Spot Index sank 0.1%. The pound firmed 0.1% versus the US dollar. Long-term yields continued to sink, the 10Y bond yields of the USA and Germany sank three basis points, the UK 10Y bond yield dropped seven points. Italy's 10Y bond yield nudged higher.

The sentiment in Czechia, Poland and Hungary was rather gloomy on Wednesday. Hungary's BUX index fell 0.9% as OTP lost 1.6%, Mol reversed 0.9%, Richter edged 0.1% down, while MTelekom advanced 0.3%.

The EUR/HUF closed practically flat, but the forint gained 0.2% versus the greenback. Hungary's long-term bond yields fell by 1–4 basis points.

Brent and WTI prices slipped 0.8% each in yesterday's trading. Precious metal prices have increased.

Asia's stock markets closed mixed this morning: Japan's Nikkei was seen 0.1% higher, China's Shanghai Composite fell 0.5%, and the Hang Seng was flat. In individual names, Taiwan Semiconductor Manufacturing, one of Apple's suppliers reported a Q4 revenue that surpassed even the most optimistic expectations; moreover, it projected above-market expectations income for the current year. Its share price fell more than 3% in Wednesday's US trading.

Today's busy publication calendar includes a string of data from the USA, including weekly statistics on initial and continuing jobless claims, the December data for retail sales, as well as the November statistics of business inventories.

	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	3289,3	0,2	1,8	VIX	12,4	0,2	-10	WTI	57,8	-0,8	-5,3
	DOW	29030,2	0,3	1,7	US 2Y	1,56	-2	0	Brent	64,00	-0,8	-3,0
	Nasdaq100	9035,7	0,0	3,5	US 10Y	1,79	-3	-12	Gold	1555,9	0,6	2,6
	DAX	13432,3	-0,2	1,4	GER 2Y	-0,60	-1	0	Silver	17,99	1,1	0,9
	CAC40	6032,6	-0,1	0,9	GER 10Y	-0,21	0	-2	EUR/USD	1,1149	0,2	-0,5
	FTSE 100	7642,8	0,3	1,3	PT10Y	0,39	-4	-6	EUR/GBP	0,8550	0,0	1,1
	FTSE MIB	23763,9	-0,7	1,1	IT 10Y	1,39	0	-4	EUR/NOK	9,8794	0,1	0,4
	Stoxx600	419,6	0,0	0,9	SP 10	0,45	-3	-2	USD/CAD	1,3041	-0,1	0,4
	- Banks	117,3	-1,1	-2,3	iTRAXX	43,6	0,0	-1	AUD/USD	0,6902	0,0	-1,7
	Nikkei 225	23933,1	0,1	1,2	JPY 2Y	-0,13	0	0	USD/JPY	109,88	-0,1	1,2
	SSEC	3074,1	-0,5	0,8	JPY 10Y	0,01	0	3	GBP/USD	1,3036	0,1	-1,7
Regional	RTS	1602,3	-0,2	3,4	RUS10	6,2	2	0	USD/RUB	61,400	0,0	-0,8
	WIG20	2165,08	-0,8	0,7	POL 10	2,2	-2	5	EUR/PLN	4,23	0,2	-0,6
	PX50	1133,1	-0,5	1,6	CZ10	1,7	1	5	EUR/RON	4,778	0,0	-0,2
Hungary	BUX	44565	-0,9	-3,3	3M DKJ	0,07	0	0	EUR/HUF	332,60	0,0	0,5
	OTP	14500	-1,6	-6,0	1Y	0,11	3	3	USD/HUF	298,19	-0,2	1,0
	MOL	2824	-0,9	-3,9	3Y	0,34	-1	-2	CHF/HUF	309,60	0,4	1,6
	MTelekom	443	0,3	-0,7	5Y	1,24	-3	-1	PLN/HUF	78,71	-0,1	1,1
	Richter	6540	-0,1	1,9	10Y	2,11	-4	3	GBP/HUF	388,82	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.	
2020 1. 13.	10 : 30	UK	Industrial production (MoM, %)	Nov	-1,2	-0,1	0,1
	14. 9 : 00	HU	Inflation (YoY, %)	Dec	4,0	3,8	3,4
	9 : 00	HU	Core inflation (YoY, SA, %)	Dec	3,9	4,1	4,0
	9 : 00	HU	Industrial production (second estimate, YoY, %)	Nov	3,6		3,6*
	14 : 30	US	CPI (YoY, %)	Dec	2,3	2,3	2,1
	14 : 30	US	CPI (MoM, SA, %)	Dec	0,2	0,3	0,3
	14 : 30	US	core-CPI (YoY, %)	Dec	2,3	2,3	2,3
	14 : 30	US	core-CPI (MoM, SA, %)	Dec	0,1	0,2	0,2
15.	9 : 00	HU	Construction output (YoY, %)	Nov	6,8	-	20,5
	11 : 00	EZ	Industrial production (MoM, %)	Nov	0,2	0,3	-0,5
	14 : 30	US	New York Fed Manufacturing index (points)	Jan	4,8	3,5	3,5
	20 : 00	US	Beige Book	Jan	-	-	-
16.	13 : 30	EZ	ECB Minutes	Dec		-	-
	14 : 30	US	Continuing jobless claims ('000s)	weekly		1720	1803
	14 : 30	US	Initial jobless claims ('000s)	weekly		217	214
	14 : 30	US	Retail sales (MoM, %)	Dec		0,3	0,2
	16 : 00	US	Business inventories (MoM, %)	Nov		-0,1	0,2
17.	3 : 00	CN	Industrial production (YoY, %)	Dec		5,9	6,2
	3 : 00	CN	Retail sales (YoY, %)	Dec		7,8	8,0
	3 : 00	CN	Infrastructural spending (YoY, %)	Dec		5,2	5,2
	3 : 00	CN	GDP (YoY, %)	Q4		6,0	6,0
	3 : 00	CN	GDP (QoQ, SA, %)	Q4		1,5	1,5
	14 : 30	US	Housing starts (annualized monthly, '000s)	Dec		1376	1365
	14 : 30	US	Building permits (annualized monthly, '000s)	Dec		1468	1474
	15 : 15	US	Industrial production (MoM, %)	Dec		0,2	1,1
	16 : 00	US	Michigan Consumer confidence (preliminary, points)	Jan		99,3	99,3

* preliminary data

Sources: Reuters, OTP Research

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