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Daily Report

Summary

- Europe's stock markets closed mixed on Thursday.
- America's stock indices hit new highs.
- Oil prices ground higher.
- China released cheering macroeconomic data.

Europe's stock indices performed mixed in Thursday's trading when the Stoxx600 rose by 0.2%, France's CAC40 edged 0.1% higher, Germany's DAX closed flat, and Britain's FTSE100 dropped 0.4%. The winners of the day came from utilities companies. The sector index hit its highest since 2008, as RWA AG's stock price grew by 0.8% on news that Germany will compensate its energy service provider for the costs of transition to coal-free energy production. Europe's retail companies also fared well: the respective sector index surged 0.6% yesterday. Germany's HelloFresh headed the upward moves: the meal-kit company's stock price surged 11% as its 2019 figures had beaten expectations.

In the uncertain external environment, Hungary's BUX closed 0.5% lower. Most of its blue chips ended in the red: Richter contracted by 0.9%, OTP lost 0.6%, Mol inched down 0.1%; only Magyar Telekom gained 0.5%.

In the benign sentiment on the USA's stock markets, the S&P500 advanced 0.8%, the Dow gained 0.9%, and the Nasdaq100 closed 1.0% higher. By exceeding the 3,300 line, the S&P500 broke a new record, along with a number of key indices. Reasons for the supportive sentiment included the phase one USA-China trade agreement signed on the previous day, as well as the cheering retail sales data. One of the winners of the day was Morgan Stanley; the financial giant's stock price rallied 8%, owing to better-than-expected quarterly results and an upward revision of its profit guidance. Another great performer was the technology sector, where Microsoft's stock price advanced 1.1%. The US Senate has passed the bill on the amendment to the North American Free trade Agreement (NAFTA).

The forint's weakening sent the EUR/HUF 0.6% higher, to 334.5. The pound firmed 0.4% and the US dollar gained 0.1% against the single European currency.

America's 2Y and 10Y bond yields rose by 0.6 and 2.1 basis points, respectively. In Hungary, yields on the 5Y and 10Y government bond yields rose by four basis points each, lifting the long end of the yield curve.

WTI crude upped 1.2% and Brent grew by 1.0%.

China released a string of cheering macroeconomic data: its industrial production volume surged by 6.9% YoY in December, surpassing analysts' forecast of 5.9% expansion. Retail sales grew by 5.4%, beating the market consensus of 5.2%. China's economy grew by 6% YoY in the fourth quarter of 2019 – this is consistent with a deceleration to a nearly 30-year low over last year. Looking forward, analysts expect the slowing to continue.

Today the USA will publish housing data, industrial production statistics, as well as the University of Michigan's consumer sentiment index.

	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	3316,8	0,8	2,7	VIX	12,3	-0,8	-11	WTI	58,5	1,2	-4,1
	DOW	29297,6	0,9	2,7	US 2Y	1,57	1	1	Brent	64,62	1,0	-2,1
	Nasdaq100	9125,0	1,0	4,5	US 10Y	1,81	2	-10	Gold	1552,5	-0,2	2,3
	DAX	13429,4	0,0	1,4	GER 2Y	-0,59	0	0	Silver	17,94	-0,3	0,6
	CAC40	6039,0	0,1	1,0	GER 10Y	-0,21	-1	-3	EUR/USD	1,1135	-0,1	-0,7
	FTSE 100	7609,8	-0,4	0,9	PT10Y	0,41	2	-4	EUR/GBP	0,8513	-0,4	0,7
	FTSE MIB	23940,4	0,7	1,8	IT 10Y	1,44	5	1	EUR/NOK	9,8942	0,1	0,6
	Stoxx600	420,5	0,2	1,1	SP 10	0,47	2	0	USD/CAD	1,3040	0,0	0,4
	- Banks	117,8	0,4	-2,0	iTRAXX	43,3	-0,8	-2	AUD/USD	0,6898	-0,1	-1,8
	Nikkei 225	24041,3	0,5	1,6	JPY 2Y	-0,13	0	0	USD/JPY	110,14	0,2	1,4
	SSEC	3071,7	-0,1	0,7	JPY 10Y	0,00	-1	2	GBP/USD	1,3076	0,3	-1,4
Regional	RTS	1612,7	0,7	4,1	RUS10	6,2	0	0	USD/RUB	61,599	0,3	-0,5
	WIG20	2173,74	0,4	1,1	POL 10	2,3	3	8	EUR/PLN	4,23	0,0	-0,6
	PX50	1133,3	0,0	1,6	CZ10	1,7	0	6	EUR/RON	4,776	0,0	-0,2
Hungary	BUX	44350	-0,5	-3,8	3M DKJ	0,07	0	0	EUR/HUF	334,52	0,6	1,0
	OTP	14420	-0,6	-6,5	1Y	0,10	-1	2	USD/HUF	300,30	0,7	1,8
	MOL	2820	-0,1	-4,1	3Y	0,35	1	-1	CHF/HUF	311,18	0,5	2,2
	MTelekom	445	0,5	-0,2	5Y	1,28	4	3	PLN/HUF	78,98	0,3	1,5
	Richter	6480	-0,9	1,0	10Y	2,15	4	7	GBP/HUF	392,34	0,9	0,5

* 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	1767,0	1720	1803
14 : 30	US	Initial jobless claims ('000s)	weekly	204,0	217	214
14 : 30	US	Retail sales (MoM, %)	Dec	0,3	0,3	0,2
16 : 00	US	Business inventories (MoM, %)	Nov	-0,2	-0,1	0,2
17. 3 : 00	CN	Industrial production (YoY, %)	Dec	6,9	5,9	6,2
3 : 00	CN	Retail sales (YoY, %)	Dec	8,0	7,8	8,0
3 : 00	CN	Infrastructural spending (YoY, %)	Dec	5,4	5,2	5,2
3 : 00	CN	GDP (YoY, %)	Q4	6,0	6,0	6,0
3 : 00	CN	GDP (QoQ, SA, %)	Q4	1,5	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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