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Daily Report

Summary

- The world's stock markets made subtle gains in Wednesday's low-volatility trading
- The Fed left interest rates unchanged
- Bond yields dropped and precious metal prices rose yesterday
- Tesla's quarterly report beat expectations, while Facebook's figures disappointed.

Stock markets were cautiously optimistic in Wednesday's low-volatility trading. In the USA, the S&P500 edged lower, while the Nasdaq100 closed practically flat. In Europe, Germany's DAX added 0.2%, France's CAC40 advanced 0.5%, while Britain's FTSE100 barely changed. In the CEE region, Poland's WIG20 closed flat, while the BUX fell 0.6% as OTP lost 0.6%, MOL slid 0.7%, MTelekom shed 0.3%, and Richter contracted by 0.5%.

This morning Nikkei stood 1.8% in the red. China's stock exchanges will not open before Monday.

The Fed's monetary policy meeting ended uneventfully; neither fed funds rates nor the key messages have changed. The Federal Reserve is not planning to change interest rate levels, as it deems previous rate cut adequate. Speaking of the coronavirus, the Fed chair said it had no impact on the US economy at this point, but its spreading shall be monitored.

In Wednesday's trading the USD firmed 0.1% against the euro but lost that much versus the yen. The pound appreciated 0.1% compared to the euro. Hungary's forint strengthened 0.1% versus the EUR and 0.3% against the CHF.

The decline in the yields of US and German government bonds continued, even if stock indices edged higher.

Gold and silver prices rose by 0.7% and 0.6%, respectively. Brent climbed 0.5% higher, while WTI slipped 0.7%.

Several important American and European companies released their quarterly reports yesterday. The biggest surprise came from Tesla, whose revenue hit USD 7.38 billion in the fourth quarter (surpassing expectations of USD 7.02 bn, while the earnings per share (EPS) was at USD 0.56. In contrast, Facebook's report disappointed investors. The technology giant confirmed that the growth in the number of users was slowing, while operative expenses grew stronger than had been thought, owing to the stricter checks of content. Facebook's revenue grew by 25% year/year, exceeding analysts' forecast of 23%, but it confirms that the era of 40%-plus growth rates seen in pre-2018 years has ended. The social media company's stock price dipped 7.2% in the red in after-hours trading.

Today's highlights include the eurozone's unemployment figure, the Bank of England's rate decision, the release of US continuing jobless claims as well as America's GDP figure for the fourth quarter

	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	3273.4	-0.1	1.3	VIX	16.4	0.7	19	WTI	53.4	-0.7	-12.6
	DOW	28734.5	0.0	0.7	US 2Y	1.42	-4	-14	Brent	59.81	0.5	-9.4
	Nasdaq100	9101.6	0.1	4.2	US 10Y	1.59	-5	-32	Gold	1576.7	0.7	3.9
	DAX	13345.0	0.2	0.7	GER 2Y	-0.64	-1	-4	Silver	17.54	0.6	-1.6
	CAC40	5954.9	0.5	-0.4	GER 10Y	-0.37	1	-19	EUR/USD	1.1009	-0.1	-1.8
	FTSE 100	7483.6	0.0	-0.8	PT10Y	0.27	0	-18	EUR/GBP	0.8454	-0.1	0.0
	FTSE MIB	24164.7	0.6	2.8	IT 10Y	0.96	-7	-46	EUR/NOK	10.0848	0.4	2.5
	Stoxx600	419.4	0.4	0.9	SP 10	0.30	-1	-17	USD/CAD	1.3196	0.3	1.6
	- Banks	114.2	0.6	-4.9	iTRAXX	44.6	-0.8	1	AUD/USD	0.6753	-0.1	-3.8
	Nikkei 225	22965.4	-1.8	-2.9	JPY 2Y	-0.14	-2	-2	USD/JPY	108.99	-0.1	0.3
	SSEC	2976.5	0.0	-2.4	JPY 10Y	-0.06	-2	-3	GBP/USD	1.3020	-0.1	-1.8
Regional	RTS	1570.7	-0.1	1.4	RUS10	6.3	0	0	USD/RUB	62.512	0.5	1.0
	WIG20	2098.18	0.0	-2.4	POL 10	2.2	-1	5	EUR/PLN	4.29	0.4	0.7
	PX50	1097.6	-0.9	-1.6	CZ10	1.6	1	-5	EUR/RON	4.778	0.0	-0.2
Hungary	BUX	43431	-0.6	-5.8	3M DKJ	0.11	0	4	EUR/HUF	337.53	-0.1	2.0
	OTP	14210	-0.6	-7.9	1Y	0.14	0	6	USD/HUF	306.40	-0.1	3.8
	MOL	2650	-0.7	-9.9	3Y	0.58	4	22	CHF/HUF	314.57	-0.3	3.3
	MTelekom	456	-0.3	2.2	5Y	1.42	6	17	PLN/HUF	78.74	-0.5	1.2
	Richter	6495	-0.5	1.2	10Y	2.24	7	16	GBP/HUF	399.00	0.0	2.2

* 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. 27.	10 : 00	DE IFO Economic sentiment index (points)	Jan	95.9	97.0	96.3
	15 : 00	HU FX-swap tender (stock bn HUF)	-	2185.0	-	2235.0
	16 : 00	US New home sales (annualized monthly, '000s)	Dec	694.0	728	719
28.	14 : 00	HU Interest rate decision (%)	Jan	0.9	0.9	0.9
	14 : 30	US Durable goods orders (MoM, %)	Dec	2.4	0.4	-2.1
	15 : 00	US Case-Shiller Home Price Index (YoY, %)	Nov	2.6	2.4	2.2
	16 : 00	US Consumer confidence (point)	Jan	131.6	128.0	126.5
29.	9 : 00	HU Unemployment rate (%)	Dec	3.3	-	4
	10 : 00	HU Aggregated real house price index (Nat. Bank of Hungary)	Q3	163.9	-	162
	16 : 00	US Pending home sales (MoM, %)	Dec	-4.9	0.5	1.2
	20 : 00	US Interest rate decision (%)	Jan	1,5-1,75	1,5-1,75	1,5-1,75
30.	11 : 00	EZ EC Economic Sentiment Index (points)	Jan		101.8	101.5
	11 : 00	EZ Unemployment rate (%)	Dec		7.5	7.5
	13 : 00	UK Interest rate decision (%)	Jan		0.8	0.8
	14 : 00	DE CPI (preliminary, YoY, %)	Jan		1.7	1.5
	14 : 30	US GDP (preliminary, annualized QoQ, %)	Q4		2.1	2.1
	14 : 30	US Continuing jobless claims ('000s)	weekly		1733	1731
	14 : 30	US Initial jobless claims ('000s)	weekly		215	211
31.	2 : 00	CN NBS Manufacturing PMI (points)	Jan		50.0	50.2
	2 : 00	CN NBS Non-manufacturing PMI (points)	Jan			53.5
	7 : 30	FR GDP (preliminary, QoQ, %)	Q4		0.2	0.3
	9 : 00	ES GDP (preliminary, QoQ, %)	Q4		0.4	0.4
	9 : 00	HU Gross wages (YoY, %)	Nov		-	11.6
	9 : 00	HU Trade balance (detailed, monthly, EUR mn)	Nov		-	500*
	11 : 00	EZ CPI (flash, YoY, %)	Jan		1.4	1.3
	11 : 00	EZ Core CPI (flash, YoY, %)	Jan		1.2	1.3
	11 : 00	EZ GDP (preliminary, YoY, %)	Q4		1.1	1.2
	11 : 00	EZ GDP (preliminary, QoQ, %)	Q4		0.2	0.2
	11 : 00	IT GDP (preliminary, QoQ, %)	Q4		0.1	0.1
	14 : 30	US Personal income (MoM, %)	Dec		0.3	0.5
	14 : 30	US Personal consumption (adjusted, MoM, %)	Dec		0.3	0.4
	15 : 45	US Chicago PMI (points)	Jan		48.8	48.9

* preliminary data

Sources: Reuters, OTP Research

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