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Summary

- Coronavirus remained in the focus of investors' attention.
- Stock markets closed with gains on both sides of the Atlantic on Monday.
- Crude prices slid again.
- The MNB's FX swap volume shrank further.

The optimism on the developed world's stock markets helped the benchmark indices recover from Friday's losses on the first day of the week. The People's Bank of China injected cash into its financial system, to help markets gather steam.

Europe's key indices preserved almost 0.5% gains by the close, while indices on Wall Street marched even higher. The US market may have benefited from the January reading of the ISM institute's manufacturing purchasing managers' index (of 50.9), which materially exceeded expectations (48.5) by a large margin. At sector level, technology and materials were the strongest performers, while the energy sector was the loser of the day.

The restrictions imposed to contain the spread of coronavirus have significantly reduced demand for crude oil; demand in China nose-dived 20%. This dragged down the prices of Brent and WTI. The major industrial and precious metal prices fell too.

The growing revenue, profit, and earnings per share in Ryanair's quarterly earnings report were coupled with positive guidance for the current quarter. The airline's share price soared 6% in Monday's trading. Tesla (+19.9%) shifted into the highest gear owing to cheering developments, including favourable quarterly data about its battery business.

The pound weakened more than 1% against the euro (EUR/GBP: 0.85). As the United Kingdom left the European Union on 31 January, investors fear that trade relations may not be fully settled. The US dollar firmed against the euro.

The CEE region's stock markets opened the week on a strong note. Hungary's BUX advanced 0.7% even though two Hungarian blue chips slipped into the red. One of them, MOL was dragged down by the slumping oil prices.

On the secondary market of Hungarian government securities, bond yields dropped by one to three basis points on Monday. Today the ÁKK will put up for sale HUF 30 billion government debt in 3M zero-coupon Treasury bills.

Hungary's MNB accepted no bids in Monday's FX swap tender, thus (taking into account expiries) its swap volumes are contracting further, this time by HUF 130 bn, to HUF 2,055 billion. After the announcement of the tender results, the forint appreciated against the euro; the EUR/HUF closed at 337.1.

Asia's key indices stood in positive territory this morning. Shanghai Composite regained more than 1% after the sharp fall on Monday when it re-opened after a week-long holiday.

Any developments about the coronavirus may influence investment sentiment 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	3248.9	0.7	0.6	VIX	18.0	-4.6	30	WTI	49.9	-3.3	-18.3
	DOW	28399.8	0.5	-0.5	US 2Y	1.35	2	-21	Brent	54.45	-6.4	-17.5
	Nasdaq100	9126.2	1.5	4.5	US 10Y	1.52	0	-39	Gold	1576.1	-0.9	3.9
	DAX	13045.2	0.5	-1.5	GER 2Y	-0.67	0	-8	Silver	17.66	-2.1	-1.0
	CAC40	5832.5	0.5	-2.4	GER 10Y	-0.44	1	-25	EUR/USD	1.1058	-0.3	-1.4
	FTSE 100	7326.3	0.6	-2.9	PT10Y	0.23	1	-22	EUR/GBP	0.8509	1.3	0.7
	FTSE MIB	23460.0	1.0	-0.2	IT 10Y	0.96	3	-47	EUR/NOK	10.2660	0.5	4.4
	Stoxx600	411.7	0.2	-1.0	SP 10	0.25	2	-22	USD/CAD	1.3284	0.4	2.3
	- Banks	112.4	-0.2	-6.5	iTRAXX	45.8	-1.6	4	AUD/USD	0.6691	0.0	-4.7
	Nikkei 225	23084.6	0.5	-2.4	JPY 2Y	-0.15	1	-2	USD/JPY	108.67	0.3	0.1
	SSEC	2783.4	1.3	-8.7	JPY 10Y	-0.05	1	-3	GBP/USD	1.2993	-1.6	-2.0
Regional	RTS	1521.2	0.3	-1.8	RUS10	6.3	0	1	USD/RUB	63.662	-0.5	2.8
	WIG20	2072.88	0.3	-3.6	POL 10	2.2	1	1	EUR/PLN	4.30	0.0	1.0
	PX50	1085.2	1.2	-2.7	CZ10	1.5	-3	-9	EUR/RON	4.775	-0.1	-0.2
Hungary	BUX	43391	0.7	-5.8	3M DKJ	0.11	0	4	EUR/HUF	337.04	0.0	1.8
	OTP	14400	2.0	-6.7	1Y	0.15	0	7	USD/HUF	304.45	0.2	3.2
	MOL	2570	-0.4	-12.6	3Y	0.56	-2	20	CHF/HUF	315.56	-0.1	3.6
	MTelekom	452	-0.4	1.3	5Y	1.37	-3	12	PLN/HUF	78.38	-0.1	0.7
	Richter	6545	0.1	2.0	10Y	2.12	-2	4	GBP/HUF	396.53	-1.2	1.6

* 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	2.	3.	9 : 00	HU	Manufacturing PMI (points)	Jan	52.5	-	53.9
			9 : 00	HU	Industrial producer prices (YoY, %)	Dec	2.4	-	2.1
			15 : 00	HU	FX-swap tender (stock bn HUF)	-	2055	-	2185
			15 : 00	US	ISM Manufacturing PMI (points)	Jan	50.9	48.5	47.2
			16 : 00	US	Construction expenditure (MoM, %)	Dec	-0.2	0.5	0.6
	4.		16 : 00	US	Factory orders (MoM, %)	Dec		1.2	-0.7
	5.		9 : 00	HU	Retail sales (YoY, SA, %)	Dec		-	6.8
			11 : 00	EZ	Retail sales (MoM, %)	Dec		-0.9	1.0
			14 : 00	PL	Interest rate decision (%)	Feb		1.5	1.5
			14 : 00	RO	Interest rate decision (%)	Feb		2.5	2.5
			14 : 15	US	ADP non-farm employment (MoM, '000s)	Jan		156	202
			16 : 00	US	ISM non-Manufacturing PMI (points)	Jan		55.0	55.0
	6.		8 : 00	DE	Industrial orders (MoM, %)	Dec		0.6	-1.3
			9 : 00	HU	Industrial production (preliminary, YoY, %)	Dec		-	3.6
			9 : 20	EZ	Christine Lagarde's hearing (European Parliament)	-		-	-
			11 : 00	EU	EC's Economic Forecast	-		-	-
			13 : 00	CZ	Interest rate decision (%)	Feb			2.0
			14 : 30	US	Continuing jobless claims ('000s)	weekly		1720	1703
			14 : 30	US	Initial jobless claims ('000s)	weekly		215	216
	7.		8 : 00	DE	Export (MoM, SA, %)	Dec		0.5	-2.3
			8 : 00	DE	Industrial production (MoM, %)	Dec		-0.2	1.1
			9 : 00	HU	Trade balance (preliminary, monthly, EUR mn)	Dec		-	484
			10 : 00	HU	International reserves (preliminary, EURbn)	Jan		-	28.0
			11 : 00	HU	Fiscal balance (monthly, billion HUF)	Jan		-	-452.7
			14 : 30	US	Average earnings (YoY, %)	Jan		3.0	2.9
			14 : 30	US	Average earnings (MoM, %)	Jan		0.3	0.1
			14 : 30	US	Unemployment rate (%)	Jan		3.5	3.5
			14 : 30	US	Non-farm payroll (MoM, '000s)	Jan		160	145

Sources: Reuters, OTP Research

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