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Summary

- The coronavirus is spreading increasingly rapidly.
- The developed world's stock markets made robust gains on Tuesday.
- Tesla's share price is racing at high speed.
- Hungary's BUX closed higher, and the forint regained some lost ground on Tuesday.

The People's Bank of China pumped billions of yuans into its financial system on Tuesday again, in a bid to reduce the economic damages stemming from the coronavirus-related restrictions. After boosting liquidity by CNY 1,200 billion on Monday, the PBoC injected CNY 500 bn on Tuesday, and the market expects further loosening measures. Despite the rapid spreading of the coronavirus, investors continue to hope that the measures to contain the virus will succeed.

The most important stock markets of Western Europe and America advanced nearly 1.5%; except for the outperforming Nasdaq100, which surged 2.3% to a record high, largely benefiting from the excellent performance of the technology sector. Nothing could stop Tesla from racing yesterday: it shot up 13.7%, after skyrocketing 19.9% on Tuesday.

Reversing Monday's noticeable depreciation, the pound made small gains against the euro. The EUR/USD also edged lower. The yield on the US 10Y bond upped seven basis points, and that of Germany rose by three points.

Crude oil prices dropped again, as demand in China had fallen by one-fifth. Brent dropped to less than USD 54 from above-60 levels at the beginning of this year; WTI traded below USD 50 at the end of the day.

Hungary's BUX marched 1.1% higher, and the Polish stock exchange fared even better. None of Hungary's blue chips ended in the red.

In Tuesday's auction of 3M discount Treasury bills, Hungary's ÁKK sold the amount on offer, HUF 30 billion, with the bid/cover ratio exceeding 2.0, and the average yield at 0.1%. On the secondary market of government bonds, the long end of the yield curve rose by 2-8 basis points on Tuesday, in sync with the changes in the international yield environment.

The forint's firming pushed the EUR/HUF below the 336 mark, and the impetus persisted throughout the day. The pair ended at 335.7, for the first time since 21 January.

Asia's key indices were seen in positive territory this morning. The brightest one, the Shanghai Composite continued to wipe off the losses suffered on Monday.

The ADP institute will publish labour market data 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	3297.6	1.5	2.1	VIX	16.1	-10.7	16	WTI	49.6	-0.6	-18.8
	DOW	28807.6	1.4	0.9	US 2Y	1.42	6	-15	Brent	53.96	-0.9	-18.2
	Nasdaq100	9334.1	2.3	6.9	US 10Y	1.60	8	-31	Gold	1552.3	-1.5	2.3
	DAX	13281.7	1.8	0.2	GER 2Y	-0.65	2	-6	Silver	17.58	-0.4	-1.4
	CAC40	5935.1	1.8	-0.7	GER 10Y	-0.41	3	-22	EUR/USD	1.1042	-0.1	-1.5
	FTSE 100	7439.8	1.5	-1.4	PT10Y	0.27	4	-18	EUR/GBP	0.8474	-0.4	0.2
	FTSE MIB	23844.9	1.6	1.4	IT 10Y	0.95	-1	-48	EUR/NOK	10.1701	-0.9	3.4
	Stoxx600	418.5	1.6	0.6	SP 10	0.28	3	-19	USD/CAD	1.3272	-0.1	2.2
	- Banks	114.3	1.8	-4.8	iTRAXX	43.8	-4.4	-1	AUD/USD	0.6737	0.7	-4.0
	Nikkei 225	23319.6	1.0	-1.4	JPY 2Y	-0.14	1	-1	USD/JPY	109.51	0.8	0.8
	SSEC	2818.1	1.3	-7.6	JPY 10Y	-0.04	1	-2	GBP/USD	1.3029	0.3	-1.7
Regional	RTS	1547.2	1.7	-0.1	RUS10	6.3	0	1	USD/RUB	63.013	-1.0	1.8
	WIG20	2106.63	1.6	-2.0	POL 10	2.2	1	3	EUR/PLN	4.27	-0.5	0.5
	PX50	1090.2	0.5	-2.3	CZ10	1.5	2	-7	EUR/RON	4.775	0.0	-0.2
Hungary	BUX	43865	1.1	-4.8	3M DKJ	0.13	2	6	EUR/HUF	335.71	-0.4	1.4
	OTP	14570	1.2	-5.6	1Y	0.17	2	9	USD/HUF	303.88	-0.2	3.0
	MOL	2618	1.9	-11.0	3Y	0.64	8	28	CHF/HUF	314.05	-0.5	3.1
	MTelekom	452	0.0	1.3	5Y	1.44	7	19	PLN/HUF	78.63	0.3	1.0
	Richter	6590	0.7	2.7	10Y	2.19	7	11	GBP/HUF	396.67	0.0	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	1.8	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	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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