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Daily Report

Summary

- Thursday's trading was rather unenthusiastic on the stock markets of Europe and America.
- Yields on Hungary's government securities have increased.
- The HUF and the GBP appreciated against the EUR.
- Germany's economy is still decelerating.

In Thursday's unsupportive trading sentiment, Britain's FTSE100 fell 1.1%, France's CAC40 shed 0.2%, Germany's DAX and the pan-European Stoxx600 closed flat. Reasons for pessimism included reports on the rapid growth in coronavirus cases, following the introduction of a new diagnostic method in China. Car manufacturers fell particularly sharply; the respective sector index slipped 0.8% on the back of statistics that vehicle sales in China slid 18% in January. In individual names, Nestlé was another poor performer; the biggest business in the Stoxx600 by market capitalization shrank by 2.2% yesterday, after postponing the attainment of 2020 growth targets by two years. In contrast, Linde was among the winners of the day: the industrial gas distributor's share price ballooned 3.2% in response to raising its profit guidance for 2020.

Weathering these headwinds, Hungary's BUX gained 0.3%. Its strongest blue chip, OTP surged 2.3%, Magyar Telekom added 0.2%, MOL stagnated, while Richter dived 2.6%.

On the other side of the Atlantic, the Dow slipped 0.4%, while the S&P500 and the Nasdaq100 shed 0.2% each. The winners of the day came from utilities and consumer staples businesses. Corporate earnings reports also influenced stock indices. Cisco System's stock price slid 5% owing to disappointing revenue figures and profit guidance. Tesla shot up 5.6% after announcing plans to raise USD 2 bn capital by selling shares. Alibaba lost 1.2%, as the online retailer warned that the coronavirus, now known as Covid-19, would adversely affect its revenue.

On global bond markets, the US 10Y government bond yield sank 1.3 basis points, and that of Germany dropped 1.2 basis points. In Hungary, the entire yield curve upped: yield on 3M discount treasury bills rose by seven basis points, that of the 12M bond increased by 11 points, while those on 3Y, 5Y, and 10Y instruments grew by 16-18 basis points.

The forint regained some ground from the euro after the MNB's Deputy Governor Márton Nagy pointed out in a statement that the central bank would do everything in its power to stabilize inflation at its target. The EUR/HUF closed 0.6% lower.

The pound firmed 1% against the euro following reports that Boris Johnson appointed a new Chancellor, which move may affect the size of the planned fiscal stimulus.

The US dollar strengthened 0.3% versus the euro.

In the USA, consumer price inflation grew by 2.5% year/year in January, while the core price index rose by 2.3%; both readings exceed economists' forecast by 0.1%. Separately, US continuing jobless claims fell to 1,698,000, down from 1,751,000 in the previous week. In Europe, Germany's economy continued to lose speed: its GDP expanded by 0.3% year/year in the fourth quarter, down from 1.0% in the previous quarter.

A batch of preliminary GDP data is due out from the eurozone today. Hungary will also publish Q4 GDP statistics. A string of important economic indicators will be released in the United States.

	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	3373.9	-0.2	4.4	VIX	14.2	3.0	3	WTI	51.4	0.5	-15.8
	DOW	29423.3	-0.4	3.1	US 2Y	1.44	0	-12	Brent	56.34	1.0	-14.6
	Nasdaq100	9595.7	-0.2	9.9	US 10Y	1.62	-1	-29	Gold	1576.1	0.7	3.9
	DAX	13745.4	0.0	3.7	GER 2Y	-0.65	-1	-5	Silver	17.63	0.9	-1.1
	CAC40	6093.1	-0.2	1.9	GER 10Y	-0.39	-1	-20	EUR/USD	1.0840	-0.3	-3.3
	FTSE 100	7452.0	-1.1	-1.2	PT10Y	0.25	-1	-20	EUR/GBP	0.8307	-1.0	-1.7
	FTSE MIB	24892.2	0.1	5.9	IT 10Y	0.90	-3	-53	EUR/NOK	10.0298	0.0	2.0
	Stoxx600	431.1	0.0	3.7	SP 10	0.30	-1	-17	USD/CAD	1.3267	0.1	2.2
	- Banks	120.6	-0.3	0.4	iTRAXX	41.9	0.3	-5	AUD/USD	0.6718	-0.3	-4.3
	Nikkei 225	23687.6	-0.6	0.1	JPY 2Y	-0.14	1	-2	USD/JPY	109.81	-0.2	1.1
SSEC	2916.0	0.3	-4.4	JPY 10Y	-0.03	1	-1	GBP/USD	1.3045	0.7	-1.6	
Regional	RTS	1543.5	-0.9	-0.3	RUS10	6.1	0	-2	USD/RUB	63.642	0.7	2.8
	WIG20	2120.07	-0.3	-1.4	POL 10	2.2	3	4	EUR/PLN	4.25	-0.1	-0.2
	PX50	1104.1	0.1	-1.0	CZ10	1.6	0	-4	EUR/RON	4.763	0.0	-0.5
Hungary	BUX	44630	0.3	-3.2	3M DKJ	0.22	7	15	EUR/HUF	337.61	-0.6	2.0
	OTP	14990	2.3	-2.9	1Y	0.34	11	26	USD/HUF	311.33	-0.4	5.5
	MOL	2560	0.0	-12.9	3Y	0.83	18	47	CHF/HUF	318.04	-0.4	4.4
	MTelekom	453	0.2	1.6	5Y	1.57	17	32	PLN/HUF	79.45	-0.6	2.1
	Richter	6860	-2.6	6.9	10Y	2.26	16	18	GBP/HUF	406.30	0.3	4.1

* 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. 10.	10 : 00	EZ	Sentix Investor confidence (points)	Feb	5.2	4.1	7.6
		15 : 00	HU	FX-swap tender (maturing / stock bn HUF)	-	0/1991	-	64,23 / 2055
	11.	10 : 30	UK	Industrial production (MoM, %)	Dec	0	0.3	-1.2
		10 : 30	UK	GDP (preliminary, YoY, %)	Q4	1.1	0.8	1.1
		10 : 30	UK	GDP (preliminary, QoQ, %)	Q4	0.0	0.0	0.4
		11 : 00	EU	EC's Economic Forecast	-	-	-	-
		14 : 00	US	Jerome Powell's hearing at the Congress (Feb 11-12)	-	-	-	-
	12.	9 : 00	HU	Industrial production (second estimate, YoY, %)	Dec	-1.2		-1,2*
		11 : 00	EZ	Industrial production (MoM, %)	Dec	-2.1	-1.6	0.2
		20 : 00	US	Federal budget balance (USDbn)	Jan	-33.0	-11.5	-13.3
	13.	9 : 00	HU	Construction output (YoY, %)	Dec	2.7	-	6.8
		9 : 00	HU	Inflation (YoY, %)	Jan	4.7	4.3	4.0
		9 : 00	HU	Core inflation (YoY, SA, %)	Jan	4.0	4.0	3.9
		14 : 30	US	CPI (YoY, %)	Jan	2.5	2.4	2.3
		14 : 30	US	CPI (MoM, SA, %)	Jan	0.2	0.2	0.2
		14 : 30	US	core-CPI (YoY, %)	Jan	2.3	2.2	2.3
		14 : 30	US	core-CPI (MoM, SA, %)	Jan	0.2	0.2	0.1
		14 : 30	US	Continuing jobless claims ('000s)	weekly	1698.0	1745	1751
		14 : 30	US	Initial jobless claims ('000s)	weekly	212.0	210	202
	14.	8 : 00	DE	GDP (preliminary, YoY, %)	Q4	0.3	0.2	1.0
		8 : 00	DE	GDP (preliminary, QoQ, %)	Q4	0.0	0.1	0.1
		8 : 00	RO	GDP (preliminary, YoY, %)	Q4	4.3	3.3	3.0
		9 : 00	CZ	GDP (preliminary, YoY, %)	Q4			2.5
		9 : 00	HU	GDP (preliminary, YoY, %)	Q4		4.5	5.0
		9 : 00	HU	GDP (preliminary, QoQ, %)	Q4			1.1
		9 : 00	SK	GDP (preliminary, YoY, %)	Q4			1.3
		10 : 00	PL	GDP (preliminary, YoY, %)	Q4			3.9
		11 : 00	EZ	GDP (preliminary, YoY, %)	Q4		1.0	1,0*
		11 : 00	EZ	GDP (preliminary, QoQ, %)	Q4		0.1	0,1*
		14 : 30	US	Retail sales (MoM, %)	Jan		0.3	0.3
		15 : 15	US	Industrial production (MoM, %)	Jan		-0.2	-0.3
		16 : 00	US	Business inventories (MoM, %)	Dec		0.1	-0.2
		16 : 00	US	Michigan Consumer confidence (preliminary, points)	Feb		99.5	99.8
			HU	Fitch Credit Rating decision	-		-	BBB
			HU	S&P Credit Rating decision	-		-	BBB

*preliminary data

Sources: Reuters, OTP Research

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