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Daily Report

Summary

- The S&P closed at all-time high on Friday.
- Europe's stock markets did not break record but the Stoxx600 rose last week.
- The forint has firmed against the euro and the dollar.
- In Q4 2009, Japan's GDP slumped at its fastest rate since 2014.

Europe's Stoxx600 reached an all-time high at one point on Friday but disappointing corporate earnings reports from the United Kingdom and France eroded its gains, and the index closed 0.1% in the red. Britain's AstraZeneca expects the new coronavirus (covid-19) lower its revenue this year, which caused its share price slump 4.3%. The Royal Bank of Scotland's share price nose-dived 7% after the announcement of a new strategy, including change of name and winding down its investment arm. In France Barclay analysts' ratings triggered a selling wave: L'Oréal shrank 1.2%, Remy Cointreau slipped 0.9%, and Pernod Ricard lost 0.5% but the drop in the consumption sector was offset by Électricité de France's 10% upsurge, following the energy service provider's better-than-expected quarterly report. France's CAC40 shed 0.4%, and London's FTSE slipped 0.6%. Germany's DAX stagnated on Friday but gained 1.7% in week/week comparison. The Stoxx600 closed its second consecutive week with gains on Friday.

On the other side of the Atlantic, the S&P's 0.2% rise was enough to close at record high on Friday. The Nasdaq100 climbed 0.3% higher, and the Dow edged 0.1% lower. Similarly to the European benchmark, the utilities and the real estate sectors were the best performers of the S&P. Another outperformer, the technology sector, closed 7% higher, largely driven by Nvidia's better-than-expected quarterly earnings. Although the virus caused market uncertainty, the S&P closed 1.6% higher in week/week comparison, breaking record for the third time last week.

On the currency market, Friday's slight dollar appreciation pushed the EUR/USD lower, to 1.0831. On global bond markets, the US 10Y yield dropped three basis points, while German and British 10Y benchmark yields sank two basis points each. Gold price rose by 0.4%, and silver edged up a tiny 0.1%. Brent crude added 1.7% and WTI upped 1.2%. Copper price rose by 0.5% on Friday; the industry's analysts expect that refined copper output in China may fall by as much as 8% month/month in February, after a nearly 15% plunge in January.

Unlike in Prague or Warsaw, the sentiment was positive on the Budapest Stock Exchange. The BUX marched 0.6% higher, supported by the gains of OTP and Richter, while Mol and MTelekom weighed on it. Surging 1.1%, OTP broke through the HUF 15,000 mark on Friday. Yields on Hungarian government securities significantly increased on Friday, nearly on all tenors. Bond yields jumped by 4–18 basis points, while those on discount treasury bills grew by 10, 18, and 20 basis points. The forint's strengthening brought down the EUR/HUF by two forints, or 0.6%. The USD/HUF followed a similar pattern. The EUR/HUF was seen at 335.10 this morning, and the USD/HUF at 309.05.

On Friday Hungary published preliminary GDP statistics for Q4 2019; the seasonally and working-day adjusted figures signified 4.6% year/year growth rate. It was mostly market-based services, and to a smaller extent industry and construction that propelled growth, the KSH statistical office said.

In his state-of-the-nation speech on Sunday, Hungary's Prime Minister Viktor Orbán outlined a climate protection action plan, including the reduction of plastics usage, the termination of illegal waste disposal sites, boosting renewable energy production and solar power plants' capacity, as well as supporting electric means of transport.

Asia's stock markets looked mixed this morning: Japan's indices are in the red after the anaemic GDP data but the Shanghai Composite marched 2.3% higher, and the Hang Seng rose by 0.5%. China's Hubei province registered over 1,900 new covid-19 cases on Sunday, more than on the previous day. Japan's preliminary Q4 GDP figure missed expectations by a large margin: economic output contracted by 1.6% quarter/quarter and shrank by 6.3% in year/year comparison. This was coupled by a downward revision of Q3 growth data.

Europe's and America' index futures signifies growth this morning.

US markets are closed today. Walmart is to release its earnings report on Tuesday, and Deere & Co.'s financial figures are scheduled for release on Friday.

	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	3380,2	0,2	4,6	VIX	13,7	-3,3	-1	WTI	52,1	1,2	-14,8
	DOW	29398,1	-0,1	3,0	US 2Y	1,42	-2	-14	Brent	57,32	1,7	-13,2
	Nasdaq100	9623,6	0,3	10,2	US 10Y	1,59	-3	-32	Gold	1584,3	0,5	4,4
	DAX	13744,2	0,0	3,7	GER 2Y	-0,66	-1	-6	Silver	17,73	0,6	-0,6
	CAC40	6069,4	-0,4	1,5	GER 10Y	-0,40	-1	-21	EUR/USD	1,0830	-0,1	-3,4
	FTSE 100	7409,1	-0,6	-1,8	PT10Y	0,25	0	-20	EUR/GBP	0,8300	-0,1	-1,8
	FTSE MIB	24867,0	-0,1	5,8	IT 10Y	0,92	3	-50	EUR/NOK	10,0164	-0,1	1,8
	Stoxx600	430,5	-0,1	3,5	SP 10	0,30	-1	-17	USD/CAD	1,3252	-0,1	2,0
	- Banks	119,7	-0,7	-0,3	iTRAXX	41,5	-0,9	-6	AUD/USD	0,6713	-0,1	-4,4
	Nikkei 225	23523,2	-0,7	-0,6	JPY 2Y	-0,14	0	-1	USD/JPY	109,74	-0,1	1,0
	SSEC	2983,6	2,3	-2,2	JPY 10Y	-0,04	-1	-2	GBP/USD	1,3046	0,0	-1,6
Regional	RTS	1534,9	-0,6	-0,9	RUS10	6,1	0	-2	USD/RUB	63,495	-0,2	2,5
	WIG20	2115,29	-0,2	-1,6	POL 10	2,2	-2	3	EUR/PLN	4,25	0,1	-0,2
	PX50	1102,9	-0,1	-1,1	CZ10	1,6	1	-3	EUR/RON	4,767	0,1	-0,4
Hungary	BUX	44906	0,6	-2,6	3M DKJ	0,32	10	25	EUR/HUF	335,53	-0,6	1,3
	OTP	15150	1,1	-1,8	1Y	0,55	21	47	USD/HUF	309,54	-0,6	4,9
	MOL	2556	-0,2	-13,1	3Y	1,00	17	64	CHF/HUF	315,32	-0,9	3,5
	MTelekom	452	-0,2	1,3	5Y	1,65	8	40	PLN/HUF	79,04	-0,5	1,6
	Richter	6920	0,9	7,9	10Y	2,32	6	24	GBP/HUF	403,15	-0,8	3,3

* 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. 17.	0 : 50	JP GDP (QoQ, %)*	Q4	-1,6	-0,9	0,1
		15 : 00	HU FX-swap tender (maturing / stock bn HUF)	-		-	107,93/1991
	18.	11 : 00	DE ZEW Economic Sentiment (points)	Feb		20,4	26,7
		14 : 30	US New York Fed Manufacturing index (points)	Feb		5,0	4,8
	19.	12 : 00	TR Interest rate decision (%)	Feb			11,3
		14 : 30	US Housing starts (annualized monthly, '000s)	Jan		1390	1608
		14 : 30	US Building permits (annualized monthly, '000s)	Jan		1450	1420
		20 : 00	US FOMC Minutes	Jan		-	-
	20.	10 : 30	UK Retail sales (MoM, %)	Jan		0,4	-0,6
		13 : 30	EZ ECB Minutes	Jan		-	-
		14 : 30	US Continuing jobless claims ('000s)	weekly			1698
		14 : 30	US Initial jobless claims ('000s)	weekly		210	205
		16 : 00	EZ Consumer confidence (point)	Feb		-8,0	-8,1
		16 : 00	US Leading index (MoM, %)	Jan		0,3	-0,3
	21.	0 : 30	JP core-CPI (YoY, %)	Jan		0,8	0,7
		0 : 30	JP CPI (YoY, %)	Jan			0,8
		9 : 15	FR Markit Service PMI (points)	Feb		50,9	51,0
		9 : 15	FR Markit Manufacturing PMI (points)	Feb		51	51
		9 : 30	DE Markit Manufacturing PMI (points)	Feb		45	45
		9 : 30	DE Markit Service PMI (points)	Feb		54,0	54,2
		10 : 00	EZ Markit Manufacturing PMI (points)	Feb		47,5	47,9
		10 : 00	EZ Markit Service PMI (points)	Feb		52,1	52,5
		15 : 45	US Markit Manufacturing PMI (points)	Feb		51,4	51,9
		15 : 45	US Markit Service PMI (points)	Feb		53,5	53,4
		16 : 00	US Existing home sales (MoM, %)	Jan		5410	5540

*preliminary data

Sources: Reuters, OTP Research

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This document was prepared on 17 February 2020.

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