

Treasury Sales Team



Ottó Demjén

+36 1 288 7558

Otto.Demjen@otpbank.hu

János Mladoniczki

+36 1 288 7551

MladoniczkiJ@otpbank.hu

Szilvia Lovas

+36 1 288 7545

LovasSz@otpbank.hu

Ákos Fekete

+36 1 288 7553

FeketeAko@otpbank.hu

Frigyes Soós

+36 1 288 7571

SoosF@otpbank.hu

Gábor Pozsgai

+36 1 288 7554

PozsgaiG@otpbank.hu

Csinszka Kis-Böndi

+36 1 288 7544

Kisbondics@otpbank.hu

Attila Keresztyén

+36 1 288 7552

KeresztyenA@otpbank.hu

Edit Kovács Gyimóti

+36 1 288 7542

KovacsGyE@otpbank.hu

Fábián Lóránt

+36-1-288-7572

Lorant.Fabian@otpbank.hu

Roxána Kosztelnik

+36 1 288 7541

Roxana.kosztelnik@otpbank.hu

Zsigmond Csillag

+36 1 288 7556

Zsigmond.csillag@otpbank.hu



Daily Report

Summary

- Europe's stock markets fell, their US peers ended mixed; the buoyancy on emerging markets sent the BUX above the 40,000 mark
- Commodity prices ground higher on Wednesday
- The minutes of the latest Fed meeting suggest there may be doubts about next year's interest rate hikes, the USD and US yields fell
- Hungarian long-term bond yields dropped owing to the MNB's recent measures

Stock markets ended mixed on Wednesday. In Europe, the DAX fell 1.2%, and the Stoxx Europe 600 index shed 0.3%. US indices made subtle moves: the Dow and the S&P inched down while the NASDAQ nudged higher. The MSCI Emerging Market Index jumped 0.7% higher, to a six-year high. In individual names, Hewlett Packard's 8% dive was the sharpest move: the IT company's Q3 report, published on Tuesday, came with pale prospects, and its CEO resigned on Wednesday.

The BUX also benefited from the optimism on emerging markets: the Hungarian index closed above the 40,000 mark again, supported by MOL's (1.8%) and OTP's (2.6%) gains.

In this morning's session China's stock markets closed in the red – the Shanghai index saw its sharpest year-to-date fall. The sour sentiment in China stemmed from rising bond yields, and from the government's attempts to hold back the growth of stock prices due to concerns that the economy may become overheated.

Commodity prices rose across the board, Bloomberg's commodity index upped 0.7%. This time the surge on oil markets was fuelled by the smaller-than-thought weekly US inventory data.

The minutes of the Fed's latest meeting were released on Wednesday night. Policymakers find a December interest rate hike quite likely, but there are doubts if tightening will continue in 2018, because of the uncertainty surrounding inflation outlook. The risk of a stock market collapse also emerged during the meeting. The US dollar weakened after the release, losing 0.7% versus the EUR and 1.1% against the JPY. US bond yield dropped about four points. The GBP also lost some of its value on Wednesday, as Britain's Chancellor of the Exchequer lowered the UK's growth forecast for next year.

The EUR/HUF barely moved but the USD/HUF sank 0.7%. Hungarian government bond yields fell noticeably: that on the 5Y one came five points down and the 10Y yield slid eight points. Apparently, investors priced in the policy easing measures the MNB announced on Tuesday.

On Wednesday Hungary's KSH statistical office published the wages data for September. Gross wages grew by 13.6% in year/year comparison, indicating that wages' growth continued to accelerate. US durable goods orders slipped but only because of a contraction in aircraft orders; the index without vehicle orders grew steadily. Meanwhile the eurozone's preliminary consumer confidence index beat expectations, and projects a continued growth in consumption.

The revised GDP data from Germany matched the previous reading. Today's important statistical releases include the second estimate on the United Kingdom's economic output, as well as a batch of industrial PMIs (purchasing managers' indices) from Europe. The minutes of the ECB's most recent rate setting meeting will see the light of day today. In Hungary, the KSH's second estimate on September retail sales is due out.

	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	2597,1	-0,1	16,0	VIX	9,9	1,5	-30	WTI	58,02	1,6	8,0
	DOW	23526,2	-0,3	19,0	US 2Y	1,73	-4,5	53	Brent	63,32	1,2	11,4
	Nasdaq100	6386,1	0,1	31,3	US 10Y	2,32	-3,9	-11	Gold	1292,1	0,9	12,2
	DAX	13015,0	-1,2	13,4	GER 2Y	-0,70	1,9	9	Silver	17,15	1,2	7,6
	CAC40	5352,8	-0,2	10,1	GER 10Y	0,35	0,5	15	EUR/USD	1,1820	0,7	12,4
	FTSE 100	7419,0	0,1	3,9	PT10Y	1,91	-0,2	-186	EUR/GBP	0,8870	0,0	4,1
	FTSE MIB	22315,2	-0,1	16,0	IT 10Y	1,77	-1,0	-6	EUR/NOK	9,6400	0,0	6,1
	Stoxx600	387,1	-0,3	7,1	SP 10	1,46	-2,7	6	USD/CAD	1,2691	-0,7	-5,5
	- Banks	159,1	0,9	18,6	ITRAXX	49,0	-1,5	-32	AUD/USD	0,7616	0,5	5,6
	Nikkei 225	22523,2	0,0	17,8	JPY 2Y	-0,15	4,2	2	USD/JPY	111,20	-1,1	-4,9
SSEC	3368,8	-1,8	8,5	JPY 10Y	0,03	0,1	-2	GBP/USD	1,3324	0,7	8,0	
Regional	RTS	1159,1	1,0	0,6	RUS10	7,66	-0,5	-9	USD/RUB	58,411	-1,2	-5
	WIG20	2489,5	0,0	27,8	POL 10	3,39	-1,0	-7	EUR/PLN	4,2123	-0,2	-4,4
	PX50	1046,6	-0,4	13,6	CZ10	1,78	-1,7	282	EUR/RON	4,6483	0,1	2,5
Hungary	BUX	40131	1,5	25,4	3M TB	0,04	0	-12	EUR/HUF	312,85	-0,1	1,3
	OTP	10350	2,6	23,2	1Y	0,06	0	-12	USD/HUF	264,61	-0,8	-9,8
	MOL	3280	1,8	27,2	3Y	0,63	4	-23	CHF/HUF	269,42	0,1	-6,4
	MTelekom	470	0,0	-5,6	5Y	1,16	-5	-61	PLN/HUF	74,240	0,1	6,0
	Richter	7030	0,4	13,2	10Y	2,13	-8	-107	GBP/HUF	352,62	-0,1	-2

* In the case of bond yields, the change is in basis points instead of percentage (VIX and ITRAXX not included).

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.	
2017 11. 20.	16 : 00	US	Leading index (mom, %)	Oct.	1,2	0,3	4,1
	21. 14 : 00	HU	Interest rate decision (%)	Nov.	0,9	0,9	0,9
	16 : 00	US	Existing home sales (mom, %)	Oct.	5480	5420	5390
22.	9 : 00	HU	Gross wages (yoy, %)	Sept.	13,6	-	13,2
	14 : 30	US	Durable goods orders (mom, %)	Oct.	-1,2	0,5	2,0
	16 : 00	EZ	Consumer confidence index (flash, points)	Nov.	0,1	-0,5	-1,0
	20 : 00	US	FOMC Minutes	Nov.	-	-	-
23.	8 : 00	DE	GDP (detailed, qoq, %)	Q3	0,8	0,8	0,8*
	8 : 00	DE	GDP (detailed, yoy, %)	Q3	2,8	2,8	2,8*
	9 : 00	HU	Retail sales (second estimate, yoy, %)	Sept.		-	5,4*
	9 : 00	FR	Markit Service PMI (points)	Nov.		57,0	57,4
	9 : 00	FR	Markit Manufacturing PMI (points)	Nov.		55,9	56,7
	9 : 30	DE	Markit Service PMI (points)	Nov.		55,0	55,2
	9 : 30	DE	Markit Manufacturing PMI (points)	Nov.		60,4	60,5
	10 : 00	EZ	Markit Service PMI (points)	Nov.		55,1	54,9
	10 : 00	EZ	Markit Manufacturing PMI (points)	Nov.		58,4	58,6
	13 : 30	EZ	ECB Minutes	Oct.		-	-
24.	1 : 30	JP	Nikkei Manufacturing PMI (points)	Nov.		-	52,8
	10 : 00	DE	IFO Economic sentiment index (points)	Nov.		116,5	116,7
	15 : 45	US	Markit Service PMI (points)	Nov.		-	55,3
	15 : 45	US	Markit Manufacturing PMI (points)	Nov.		54,7	54,6

* preliminary data

Source: Reuters, OTP Research

Chief Economist
Gergely Tardos
tardosg@otpbank.hu
+36 1 374 7273

Analyst
Gábor Pellényi
pellenyig@otpbank.hu
+36 1 374 7276

Disclaimer

OTP Bank Plc. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This material is only for information purposes and it is not intended as an investment advice, an offer or solicitation for the purchase or sale of any financial instrument, and it does not constitute legal, tax or accounting advice.

Information herein reflects the market situation at the time of writing. It provides only momentary information and may change as market conditions and circumstances develop. Additional information may be available on request. Although the information in this document has been prepared in good faith from sources which OTP Bank believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. Opinions and estimates constitute our judgment and are subject to change without notice. OTP Bank may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments is made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. Any concrete individual decision or investment made based on this publication is the sole risk of the Client and OTP Bank shall not be held responsible for the success of the investment decisions or for attaining the Client's target.

Figures described herein refer to the past and past performance is not a reliable indicator of future results.

OTP Bank Plc. (registered seat: Nádor utca 16., Budapest H-1051, Hungary. Supervisory authority: Magyar Nemzeti Bank (National Bank of Hungary – H-1013 Budapest, Krisztina krt. 39.sz.) PSZÁF licence numbers: III/41.003-22/2002 and E-III/456/2008. For more information, please refer to: <https://www.otpbank.hu/portal/hu/Megtakaritas/Ertekpapir/MIFID>). All rights reserved. This publication is exclusively owned by OTP Bank Plc., no part of this material can be reproduced, re-used or disseminated without the prior written consent of OTP Bank Plc.

If you received this document from OTP Bank Plc, then it was sent to you with your previous consent. You may withdraw this permission by sending an e-mail to research@otpbank.hu or writing a letter addressed to "Research Center" Hungary 1051, Budapest Nádor utca. 21. Please refer to your name and e-mail address in both cases.

Disclaimer for OTP Bank Romania S.A. customers

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centred on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to csaba.balint@otpbank.ro or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.