

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

- There was mixed sentiment on the world's stock markets on Thursday
- The US dollar weakened; the EUR/HUF inched lower
- The privatization of Royal Bank of Scotland may start in 2019

Europe's stock exchanges ended Thursday mixed: the CAC40 advanced 0.5%, while the DAX and the FTSE100 practically stagnated. On the other side of the Atlantic, markets were closed to observe Thanksgiving holiday. Central and Eastern Europe missed a single direction, too. Warsaw's WIG20 rose by 0.6%, while the BUX dropped 0.4% as two of its blue chips closed in the red: MOL sank 1.3% and Richter shed 0.1%. OTP's share price barely changed.

On currency markets, the US dollar lost 0.3% versus the EUR but remained flat against the JPY. The EUR/HUF edged 0.2% down, gradually recovering from Wednesday's 314 levels to where it spiked after the MNB's monetary policy decision on Tuesday. The USD/HUF came down 0.5%.

In the commodity world, the Brent closed 0.4% higher and the WTI added 1%, while precious metal prices barely moved on Thursday.

The current growth on global stock markets is coming to an end and a 10% correction is on the cards, the chief analyst of Bank of America Merrill Lynch found. For more than 12 months in a row, the S&P500 and the Dow Jones have been avoiding end-of-the month losses. Equities valuations are stretched, and the rate of stocks funded from borrowed money is nearing record highs, the analyst points out. The pullback is expected to take place some time near the Fed's December interest rate decision, when the S&P500 is said to peak out at 2,670.

The privatization of Royal Bank of Scotland, in which the United Kingdom holds a 71% stake, may start in 2019, the Chancellor of the Exchequer announced. Considering current price, the UK could sell the shares at GBP 26 billion loss, because these days the market price (270 GBP/share) is much less than the purchase price (GBP 502 apiece) was.

Hungary's economic policy shall further reduce the current high debt pile, which requires low deficit levels in the future, the economy ministry's state secretary for budget affairs Péter Benő Banai has said. Hungary's 2018 budget sets aside HUF 200 billion for fending off unforeseeable situations. Eighty per cent of Hungarian manufacturing companies mention the lack of skilled labour as the factor that limits their growth.

	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	0,0	16,0	VIX	9,9	0,0	-30	WTI	58,01	0,0	8,0
	DOW	23526,2	0,0	19,0	US 2Y	1,73	0,0	53	Brent	63,55	0,4	11,8
	Nasdaq100	6386,1	0,0	31,3	US 10Y	2,32	0,0	-11	Gold	1290,9	-0,1	12,1
	DAX	13008,6	0,0	13,3	GER 2Y	-0,69	1,0	10	Silver	17,06	-0,6	7,0
	CAC40	5379,5	0,5	10,6	GER 10Y	0,35	-0,6	14	EUR/USD	1,1850	0,3	12,7
	FTSE 100	7417,2	0,0	3,8	PT10Y	1,91	0,9	-185	EUR/GBP	0,8903	0,4	4,5
	FTSE MIB	22397,8	0,4	16,4	IT 10Y	1,78	1,0	-5	EUR/NOK	9,6416	0,0	6,1
	Stoxx600	387,1	0,0	7,1	SP 10	1,47	1,1	7	USD/CAD	1,2711	0,2	-5,4
	- Banks	159,5	0,3	18,9	iTRAXX	49,2	0,4	-32	AUD/USD	0,7622	0,1	5,6
	Nikkei 225	22550,9	0,1	18,0	JPY 2Y	-0,18	1,0	-1	USD/JPY	111,21	0,0	-4,8
SSEC	3368,8	0,5	8,5	JPY 10Y	0,03	0,6	-2	GBP/USD	1,3307	-0,1	7,9	
Regional	RTS	1158,6	0,0	0,5	RUS10	7,64	-0,3	-9	USD/RUB	58,403	0,0	-5
	WIG20	2503,93	0,6	28,5	POL 10	3,32	-2,1	-9	EUR/PLN	4,2073	-0,1	-4,5
	PX50	1046,0	-0,1	13,5	CZ10	1,76	-1,3	276	EUR/RON	4,6495	0,0	2,5
Hungary	BUX	39963	-0,4	24,9	3M TB	0,04	0	-12	EUR/HUF	312,19	-0,2	1,1
	OTP	10350	0,0	23,2	1Y	0,06	0	-12	USD/HUF	263,49	-0,4	-10,2
	MOL	3237	-1,3	25,5	3Y	0,63	0	-23	CHF/HUF	268,31	-0,4	-6,8
	MTelekom	472	0,4	-5,2	5Y	1,12	-4	-65	PLN/HUF	74,160	-0,1	5,9
	Richter	7020	-0,1	13,0	10Y	2,09	-4	-111	GBP/HUF	350,41	-0,6	-3

* 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.	5,6	-	5,4*
9 : 00	FR	Markit Service PMI (points)	Nov.	60,2	57,0	57,4
9 : 00	FR	Markit Manufacturing PMI (points)	Nov.	57,5	55,9	56,7
9 : 30	DE	Markit Service PMI (points)	Nov.	54,9	55,0	55,2
9 : 30	DE	Markit Manufacturing PMI (points)	Nov.	62,5	60,4	60,5
10 : 00	EZ	Markit Service PMI (points)	Nov.	56,2	55,1	54,9
10 : 00	EZ	Markit Manufacturing PMI (points)	Nov.	57,5	58,4	58,6
13 : 30	EZ	ECB Minutes	Oct.	-	-	-
24. 1 : 30	JP	Nikkei Manufacturing PMI (points)	Nov.	53,8	-	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
Dániel Módos
modosd@otpbank.hu
+36 1 301 2810

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