

Summary

- Global stock markets made slight losses yesterday; the BUX closed 0.7% down.
- The WTI fell 1.8%, amid supply concerns ahead of OPEC's December meeting.
- Hungary will publish Q3 investment statistics today.

Most stock markets of Western Europe closed lower on the first day of the week, with the FTSE and the DAX losing 0.4% each, and the Stoxx600 falling 0.5%. Banking shares weighed heavily on indices, but the energy sector also descended, headed by oil producers. An analysis by Deutsche Bank warned it was time for investors to switch from cyclical stocks to defensive ones. In the pharmaceutical industry, GlaxoSmithKline advanced 1.8%, benefiting from a favourable recommendation and an upgrade to Buy, from UBS. One of the biggest losers of the day, the Swiss Julius Baer bank, slid 6% as its CEO unexpectedly resigned with immediate effect.

In the CEE region, the Polish index closed 0.7% higher on Monday, while Prague's benchmark shed 0.5%. The BUX also opened the week in the red (-0.7%), on nearly HUF 10 billion turnover. The losses of OTP (-2.0%) and Mol (-1.2%) could not be offset by the gains of Richter (1.0%) and MTelekom (0.4%), thus the BUX closed 0.7% down yesterday.

America's indices went to record highs during the day but ran out of impetus by the end. The Dow crept higher (+0.1%), but the S&P shed four basis points, the NASDAQ100 dipped five basis points, and the NASDAQ Composite closed 0.2% down. It was the retail sector that drove indices high in the morning, as statistics show that Americans spent a record high USD 5.03 bn on Black Friday, and Cyber Monday is expected to break records too. The biggest retail chains – Home Depot (1.1%), American Eagle Outfitters (1.8%), and Gap (1.2%) – benefited from the spending spree, and Amazon's share price also went up 0.8% yesterday. Of the S&P's sector indices, utilities' growth was the steepest, but it could not offset the major fall in the energy and base material sectors.

Asia's markets closed mixed this morning. Japan's indices ended in the red but mainland China's benchmarks climbed higher. Hong Kong also closed down but South Korea's Kospi index posted 0.3% gain.

The price of the WTI crude oil fell 1.8%, to less than 58 USD/barrel on Monday, while the Brent inched down 0.1% and remained near 63.8 USD/barrel. Some observers attribute Monday's slip in oil prices to fears that the forthcoming OPEC meeting would not formally announce the extension of the production freeze. Gold price upped 0.4%, and in industrial metals, copper sank 0.9%.

Monday's slight EUR weakening led the EUR/USD from 1.193 to less than 1.19. The USD made inroads into the pound sterling too, but it lost 0.4% against the JPY. A modest forint firming pushed the EUR/HUF below the 311 mark on Monday. The USD/HUF also edged down, yet it is higher than 261. In MNB Monday's liquidity FX swap tender, the central bank accepted bids worth HUF 184 billion, which brings the excess liquidity provided to Hungary's banking system to HUF 1,405 billion (taking into account the current expiries).

Similarly to global stock markets, Hungarian government securities' yields barely changed on the secondary market. In Monday's auction the ÁKK put up for sale HUF 40bn government debt in 2M discount treasury shares. Bids amounted to HUF 75.6 billion, and the average yield was 0.02%. Starting from today, the D180411 will be the new 3M benchmark instrument. Today the ÁKK will auction HUF 40 billion government debt in 3M discount T-Bills.

The Case-Shiller home price index and consumer confidence data are due out in the USA today. Hungary will release investment data for the third quarter. We expect the year/year growth to have slowed from 27% in Q2, but mostly because of base effect. The underlying processes are likely to remain favourable.

	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	2601,4	0,0	16,2	VIX	9,9	2,1	-30	WTI	58,11	-1,4	8,2
	DOW	23580,8	0,1	19,3	US 2Y	1,75	-0,3	55	Brent	63,84	0,0	12,4
	Nasdaq100	6406,0	-0,1	31,7	US 10Y	2,33	-1,2	-10	Gold	1294,4	0,5	12,4
	DAX	13000,2	-0,5	13,2	GER 2Y	-0,71	-0,8	8	Silver	17,03	0,3	6,9
	CAC40	5360,1	-0,6	10,2	GER 10Y	0,34	-2,6	14	EUR/USD	1,1896	-0,3	13,2
	FTSE 100	7383,9	-0,3	3,4	PT10Y	1,91	-4,0	-185	EUR/GBP	0,8932	-0,2	4,9
	FTSE MIB	22176,7	-1,1	15,3	IT 10Y	1,79	-3,9	-4	EUR/NOK	9,6979	0,0	6,7
	Stoxx600	384,9	-0,5	6,5	SP 10	1,48	-2,2	8	USD/CAD	1,2767	0,4	-4,9
	- Banks	160,2	-0,9	19,4	ITRAXX	49,8	1,5	-31	AUD/USD	0,7601	-0,1	5,3
	Nikkei 225	22486,2	0,0	17,6	JPY 2Y	-0,17	0,3	0	USD/JPY	111,09	-0,4	-4,9
SSEC	3368,8	1,4	8,5	JPY 10Y	0,04	0,2	-1	GBP/USD	1,3316	-0,1	7,9	
Regional	RTS	1160,6	-0,5	0,7	RUS10	7,65	-0,1	-9	USD/RUB	58,491	0,2	-5
	WIG20	2497,15	0,7	28,2	POL 10	3,34	0,1	-8	EUR/PLN	4,2050	-0,1	-4,5
	PX50	1049,8	-0,5	13,9	CZ10	1,76	0,1	277	EUR/RON	4,6375	0,0	2,3
Hungary	BUX	39424	-0,7	23,2	3M TB	0,05	1	-11	EUR/HUF	310,81	-0,4	0,6
	OTP	10170	-2,0	21,1	1Y	0,07	1	-11	USD/HUF	261,21	-0,1	-11,0
	MOL	3150	-1,2	22,1	3Y	0,62	2	-24	CHF/HUF	266,07	-0,2	-7,6
	MTelekom	470	0,4	-5,6	5Y	1,12	0	-65	PLN/HUF	73,880	-0,3	5,5
	Richter	6988	1,0	12,5	10Y	2,10	2	-110	GBP/HUF	347,86	-0,2	-4

* 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. 28.	9 : 00	HU Investment (yoy, %)	Q3		-	4,1
	15 : 00	US Case-Shiller Home Price Index (yoy, %)	Sept.		-	5,9
	16 : 00	US Consumer confidence (point)	Nov.		124	126
29.	8 : 45	FR GDP (detailed, qoq, %)	Q3		0,5	0,5*
	9 : 00	HU Unemployment rate (%)	Oct.		-	4,1
	11 : 00	EZ EC Economic Sentiment Index (points)	Nov.		114,4	114,0
	14 : 00	DE CPI (flash, yoy, %)	Nov.		1,7	1,6
	14 : 30	US GDP (annualized qoq, %)	Q3		3,2	3*
	16 : 00	US Pending home sales (mom, %)	Oct.		0,7	0,0
	16 : 00	US Janet Yellen testimony before the Economic Cabinet			-	-
	20 : 00	US Beige Book			-	-
30.	0 : 50	JP Industrial production (preliminary, mom, %)	Oct.		1,9	-1,0
	2 : 00	CN NBS Manufacturing PMI (points)	Nov.			51,6
	2 : 00	CN NBS non-Manufacturing PMI (points)	Nov.		-	54,3
	8 : 00	DE Retail sales (mom, %)	Oct.		0,4	0,5
	9 : 00	HU Industrial producer prices (yoy, %)	Oct.		-	4,1
	10 : 00	PL GDP (second estimate, yoy, %)	Q3		-	4,7*
	10 : 00	AT OPEC Meeting			-	-
	11 : 00	EZ CPI (flash, yoy, %)	Nov.		1,6	1,4
	11 : 00	EZ Core CPI (flash, yoy, %)	Nov.		1,1	0,9
	11 : 00	EZ Unemployment rate (%)	Oct.		8,9	8,9
	14 : 30	US Personal income (mom, %)	Oct.		0,3	0,4
	14 : 30	US Personal consumption (adjusted, mom, %)	Oct.		0,3	1,0
	15 : 45	US Chicago PMI (points)	Nov.		63,0	66,2
12. 1.	0 : 30	JP CPI (yoy, %)	Oct.		-	0,7
	0 : 30	JP core-CPI (yoy, %)	Oct.		0,8	0,7
	9 : 00	HU Trade balance (detailed, monthly, EUR mn)	Sept.		-	928*
	9 : 00	HU Manufacturing PMI (points)	Nov.		-	58,3
	9 : 00	CZ GDP (second estimate, yoy, %)	Q3		-	5,0*
	16 : 00	US Construction expenditure (mom, %)	Oct.		0,5	0,3
	16 : 00	US ISM Manufacturing PMI (points)	Nov.		58,5	58,7
	21 : 30	US Vehicle sales (annualized monthly, million)	Nov.		17,6	18,1

*preliminary data

Source: Reuters, OTP Research

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