

Summary

- Optimism ruled the developed world's stock markets yesterday.
- All big banks passed the BoE's stress test this year.
- Investors welcomed Jerome Powell's testimony before Congress.
- North Korea launched a new ballistic missile.
- Janet Yellen is to speak before Congress today.

Western Europe's key indices closed higher on Tuesday. In individual names, Shell soared 4% following the announcement of paying future dividends in cash and to buy back own shares worth USD 25 billion between 2017 and 2020. Brexit talks seem to be making headway and Britain's banking system appears to be healthy. All big banks passed the Bank of England's stress test this year – for the first time since 2014, none of the banks were obligated to raise their capital reserves. Barclays and Royal Bank of Scotland Group were the weakest performers. Meanwhile the GBP gained 0.8% versus the EUR as the Telegraph informed that Britain had reached an agreement with the EU about the Brexit divorce bill.

Tuesday's trading sentiment was benign in the USA too, where investors' attention focussed on the forthcoming tax overhaul as well as Federal Reserve chair nominee Jerome Powell's confirmation hearing before Congress. He signalled a lighter touch on financial regulations and said the case for a December interest rate hike was coming together. US indices ground higher all day and hit new records – despite North Korea's launching a new intercontinental ballistic missile, which hit the sea on Japanese waters. The USD firmed against the key currencies. The most important industrial and precious metals, as well as crude oil prices, headed down.

Ending a day of ailing, the BUX closed 0.5% in the red on Tuesday. Richter was the only blue chip to climb into positive territory. Not long before the close, the pharmaceutical company announced to have bought 10,000 own shares at an average price of 6,974 HUF/share on 27 November.

In Tuesday's auction the ÁKK put up for sale HUF 40 billion government debt in 3M discount treasury bills. Seeing that the bid-to-cover ratio exceeded 2.0, the debt management agency raised the allotted amount to HUF 44 billion, at an average yield of 0%. On the secondary market, only the 3Y bond yield edged down (-1 basis point).

In Hungary, investment volumes expanded by 18% in the third quarter, the growth stemmed from businesses' capacity-boosting investments, from the work done for the projects funded from the 2014–2020 EU budget framework, and from the recovery of home and other real property investment, the KSH's data show. In the first three quarters of the year, investment volume grew by 23%, from the unusually low basis in 2016.

Japan's Nikkei gained 0.5% in today's trading. In China, the Shanghai Composite inched up 0.1%, while Hong Kong's Hang Seng ended the day 0.1% lower.

Today's important events include Janet Yellen's testimony at Congress, and the publication of the Fed's latest Beige Book.

	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	2627,0	1,0	17,3	VIX	10,0	1,6	-29	WTI	57,71	-0,7	7,4
	DOW	23836,7	1,1	20,6	US 2Y	1,76	1,3	56	Brent	63,61	-0,4	12,0
	Nasdaq100	6422,6	0,3	32,1	US 10Y	2,34	0,9	-9	Gold	1293,6	-0,1	12,3
	DAX	13059,5	0,5	13,7	GER 2Y	-0,70	1,3	10	Silver	16,83	-1,2	5,6
	CAC40	5390,5	0,6	10,9	GER 10Y	0,34	-0,2	14	EUR/USD	1,1839	-0,5	12,6
	FTSE 100	7460,7	1,0	4,4	PT10Y	1,92	0,7	-184	EUR/GBP	0,8875	-0,6	4,2
	FTSE MIB	22291,8	0,5	15,9	IT 10Y	1,78	-0,8	-5	EUR/NOK	9,7570	0,6	7,4
	Stoxx600	387,0	0,6	7,1	SP 10	1,47	-1,1	7	USD/CAD	1,2815	0,4	-4,6
	- Banks	160,1	0,0	19,4	iTRAXX	49,0	-1,7	-32	AUD/USD	0,7594	-0,1	5,3
	Nikkei 225	22597,2	0,5	18,2	JPY 2Y	-0,17	0,1	1	USD/JPY	111,47	0,3	-4,6
SSEC	3368,8	1,1	8,5	JPY 10Y	0,03	-0,7	-2	GBP/USD	1,3336	0,2	8,1	
Regional	RTS	1159,4	-0,1	0,6	RUS10	7,63	-0,3	-9	USD/RUB	58,380	-0,2	-5
	WIG20	2485,71	-0,5	27,6	POL 10	3,32	-0,7	-9	EUR/PLN	4,2017	-0,1	-4,6
	PX50	1053,9	0,4	14,3	CZ10	1,76	0,0	277	EUR/RON	4,6392	0,0	2,3
Hungary	BUX	39242	-0,5	22,6	3M TB	0,05	0	-11	EUR/HUF	310,64	-0,1	0,6
	OTP	10140	-0,3	20,7	1Y	0,08	1	-10	USD/HUF	262,36	0,4	-10,6
	MOL	3121	-0,9	21,0	3Y	0,59	-3	-27	CHF/HUF	266,53	0,2	-7,4
	MTelekom	467	-0,6	-6,2	5Y	1,13	1	-64	PLN/HUF	73,910	0,0	5,5
	Richter	6990	0,0	12,6	10Y	2,13	3	-107	GBP/HUF	349,91	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. 28.	9 : 00	HU Investment (yoy, %)	Q3	18,0	-	4,1
	15 : 00	US Case-Shiller Home Price Index (yoy, %)	Sept.	6,2	-	5,9
	16 : 00	US Consumer confidence (point)	Nov.	129,5	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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