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Daily Report

Summary

- Stock prices and bond yields climbed higher on the back of favourable developments
- Oil prices slid ahead of OPEC's meeting; markets expect output quotas to be extended
- Strong economic data were released in Europe and America
- Inflation figures are due out in the EZ and the USA today

There was benign sentiment on most stock markets of the world on Wednesday. On top of the batch of reassuring macroeconomic data released on Wednesday, Fed Chair nominee Jerome Powell confirmed that America's banking system did not need tighter financial regulations. Besides, the US Senate Budget Committee has passed, with a one-vote majority, the tax bill proposed by Republican senators, removing another obstacle from President Trump's corporate tax cut plan. Finally, the United Kingdom and the European Union have come to an agreement on the amount Britain should pay to the latter's budget upon exiting the block. Only one factor could have raised some eyebrows: an analysis by Goldman Sachs concluded that the pricing of US stocks, bonds and corporate loans was nearing all-time highs, which may be followed by correction after a while. A similar research by Credit Suisse estimates that global stock markets may run out of impetus by the second half of 2018.

Most stock indices in Europe made gains yesterday. In America, taking profit from technology shares weighed on the NASDAQ, while the financial and the telecommunications sectors were the strongest performers. Hungary's BUX fell, as all Hungarian blue chips but Telekom lost more than 1%.

Advanced economies' government bond yields rose yesterday: the 10Y US yield upped six points, and that on the 10Y German bund crept five points higher. In Hungary, the 10Y yield also grew five points, to 2.19%. The EUR/USD barely changed, as the economic news from the two regions neutralized each other. As the Brexit negotiations make headway, the pound regained some ground, and Britain's 10Y bond yield jumped nine points higher. A slight forint weakening sent the EUR/HUF near 312.

Oil prices dropped as US oil inventories fell sharper last week than had been thought. The rise in bond yields drove precious metal prices higher.

Strong macro data were released on both sides of the Atlantic. In Hungary, unemployment fell to 4%, its lowest on record, the KSH statistical office said. The November reading of the European Commission's confidence index increased, adding to the positive signs surrounding the growth prospects of the EU's economy. The second estimate on America's Q3 GDP growth was revised up. Despite the hurricanes in August and September, the US economy could gather speed. Besides, the latest housing data from the USA indicate a revival in the real property sector as the hurricane season ended.

In today's events, the eurozone will release inflation and unemployment data, while America is set to publish personal income and personal spending statistics, as well as core PCE deflators. Elsewhere, OPEC members' meeting, starting today in Vienna, is expected to extend its current output quotas.

	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	2626,1	0,0	17,3	VIX	10,7	6,7	-24	WTI	57,30	-0,7	6,7
	DOW	23940,7	0,4	21,1	US 2Y	1,76	0,4	56	Brent	63,11	-0,8	11,1
	Nasdaq100	6311,4	-1,7	29,8	US 10Y	2,38	3,9	-6	Gold	1283,5	-0,8	11,5
	DAX	13061,9	0,0	13,8	GER 2Y	-0,68	1,3	11	Silver	16,53	-1,8	3,7
	CAC40	5398,1	0,1	11,0	GER 10Y	0,39	4,3	18	EUR/USD	1,1847	0,1	12,7
	FTSE 100	7393,6	-0,9	3,5	PT10Y	1,92	0,6	-184	EUR/GBP	0,8833	-0,5	3,7
	FTSE MIB	22325,9	0,2	16,1	IT 10Y	1,79	1,4	-3	EUR/NOK	9,7816	0,3	7,7
	Stoxx600	388,0	0,3	7,4	SP 10	1,49	2,7	10	USD/CAD	1,2863	0,4	-4,2
	- Banks	162,5	1,5	21,1	iTRAXX	48,5	-1,0	-33	AUD/USD	0,7570	-0,3	4,9
	Nikkei 225	22725,0	0,6	18,9	JPY 2Y	-0,16	1,2	2	USD/JPY	111,92	0,4	-4,2
SSEC	3368,8	0,9	8,5	JPY 10Y	0,04	0,5	-1	GBP/USD	1,3406	0,5	8,7	
Regional	RTS	1144,7	-1,3	-0,7	RUS10	7,65	0,3	-9	USD/RUB	58,590	0,4	-4
	WIG20	2436,24	-2,0	25,1	POL 10	3,34	0,7	-8	EUR/PLN	4,2033	0,0	-4,6
	PX50	1053,0	-0,1	14,3	CZ10	1,76	0,1	277	EUR/RON	4,6417	0,1	2,4
Hungary	BUX	38819	-1,1	21,3	3M TB	0,05	0	-11	EUR/HUF	311,90	0,4	1,0
	OTP	10000	-1,4	19,0	1Y	0,06	-2	-12	USD/HUF	263,19	0,3	-10,3
	MOL	3083	-1,2	19,5	3Y	0,62	3	-25	CHF/HUF	267,28	0,3	-7,2
	MTelekom	467	0,0	-6,2	5Y	1,16	3	-61	PLN/HUF	74,160	0,3	5,9
	Richter	6900	-1,3	11,1	10Y	2,18	5	-102	GBP/HUF	352,90	0,9	-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. 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	0,5*
	9 : 00	HU Unemployment rate (%)	Oct.	4	-	4,1
	11 : 00	EZ EC Economic Sentiment Index (points)	Nov.	114,6	114,4	114,0
	14 : 00	DE CPI (flash, yoy, %)	Nov.	1,8	1,7	1,6
	14 : 30	US GDP (annualized qoq, %)	Q3	3,3	3,2	3.0*
	16 : 00	US Pending home sales (mom, %)	Oct.	3,5	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.	0,5	1,9	-1,0
	2 : 00	CN NBS Manufacturing PMI (points)	Nov.	51,8		51,6
	2 : 00	CN NBS non-Manufacturing PMI (points)	Nov.	54,8	-	54,3
	8 : 00	DE Retail sales (mom, %)	Oct.	-1,2	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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