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Daily Report

Summary

- Europe's stock markets were rather gloomy, but the sentiment in the USA was benign yesterday
- OPEC members agreed to extend output quotas
- The USD and the HUF weakened against the EUR
- Inflation in the EZ missed expectations

Global stock markets were rather depressed in Europe, where the DAX sank 0.3%, the CAC40 shed 0.5%, and the FTSE 100 fell 0.9%. On the other side of the Atlantic, the S&P500 advanced 0.8% and the NASDAQ 100 surged 0.9%. US indices benefited from the upbeat mood as the corporate tax cuts in America seem one step closer to reality.

The unenthusiasm in the Western part of the continent was also felt in Eastern and Central Europe, where the WIG20 fell 1.1% and the BUX dropped 0.4%. Two Hungarian blue chips made gains (MOL +1.1% and Richter +1.5%) and two closed on the red (OTP -0.6% and MTelekom -0.9%).

Amid the supportive sentiment in Asia, the Nikkei gained 0.6% and the SSEC marched 1.6% higher.

On currency markets, the USD weakened 0.5% against the EUR and it lost 0.6% versus the JPY.

The forint's wobble sent the EUR/HUF 0.4% higher, while the greenback's sharper loss drove the USD/HUF down in Thursday's trading session.

In the commodity world, the Brent crude traded 0.7% higher, while gold and silver lost 0.7% of their shine yesterday. On Thursday, OPEC's meeting in Vienna extended the output cuts by one more year, as has been widely expected. Starting from 1 January 2018, oil exporters will curb their production by 1.8 million barrels/day, from October's output level. Given that investors had anticipated these developments, the news had little effect on oil prices.

Wrong-footing the consensus forecast, the unemployment rate in the eurozone dropped further, to 8.8% in October. On the other hand, the predicted pick-up in November core inflation did not occur, while headline inflation rose slower than had been thought. Japan's inflation data for October, released earlier this morning, indicate a slight uptick in core inflation, while the headline figure sank from 0.7% to 0.2%, owing to base effects.

Later in the day the USA will release important statistics, of which vehicle sales are particularly interesting. Having reached its pre-crisis level, the gauge started to drop. Most of the short-lived rise in recent months' vehicles sales can be put down to the after-effect of the hurricane damages, therefore it is worth keeping an eye on whether sales will stagnate or drop further in the following months.

	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	2647,6	0,8	18,3	VIX	11,3	5,4	-20	WTI	57,66	0,6	7,3
	DOW	24272,4	1,4	22,8	US 2Y	1,79	2,8	59	Brent	63,57	0,7	11,9
	Nasdaq100	6366,6	0,9	30,9	US 10Y	2,42	3,9	-2	Gold	1274,4	-0,7	10,7
	DAX	13024,0	-0,3	13,4	GER 2Y	-0,69	-0,5	11	Silver	16,42	-0,7	3,1
	CAC40	5372,8	-0,5	10,5	GER 10Y	0,38	-0,9	17	EUR/USD	1,1902	0,5	13,2
	FTSE 100	7326,7	-0,9	2,6	PT10Y	1,88	-4,7	-189	EUR/GBP	0,8799	-0,4	3,3
	FTSE MIB	22368,3	0,2	16,3	IT 10Y	1,74	-5,1	-8	EUR/NOK	9,9005	1,2	9,0
	Stoxx600	386,7	-0,3	7,0	SP 10	1,45	-4,3	6	USD/CAD	1,2894	0,2	-4,0
	- Banks	162,4	0,0	21,1	iTRAXX	48,0	-1,1	-34	AUD/USD	0,7566	-0,1	4,9
	Nikkei 225	22819,0	0,4	19,4	JPY 2Y	-0,15	0,5	2	USD/JPY	112,52	0,5	-3,7
SSEC	3368,8	1,6	8,5	JPY 10Y	0,03	-0,2	-2	GBP/USD	1,3525	0,9	9,6	
Regional	RTS	1131,6	-1,1	-1,8	RUS10	7,61	-0,5	-9	USD/RUB	58,445	-0,2	-5
	WIG20	2408,69	-1,1	23,7	POL 10	3,35	0,1	-8	EUR/PLN	4,2030	0,0	-4,6
	PX50	1059,3	0,6	14,9	CZ10	1,58	-10,3	238	EUR/RON	4,6417	0,0	2,4
Hungary	BUX	38674	-0,4	20,8	3M TB	0,05	0	-11	EUR/HUF	312,96	0,3	1,3
	OTP	10055	0,6	19,7	1Y	0,06	0	-12	USD/HUF	262,86	-0,1	-10,4
	MOL	3050	-1,1	18,2	3Y	0,62	0	-25	CHF/HUF	267,25	0,0	-7,2
	MTelekom	471	0,9	-5,4	5Y	1,16	0	-61	PLN/HUF	74,430	0,4	6,3
	Richter	6798	-1,5	9,5	10Y	2,15	-3	-105	GBP/HUF	355,62	0,8	-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.	4,5	-	4,1
	10 : 00	PL GDP (second estimate, yoy, %)	Q3	4,9	-	4,7*
	10 : 00	AT OPEC Meeting			-	-
	11 : 00	EZ CPI (flash, yoy, %)	Nov.	1,5	1,6	1,4
	11 : 00	EZ Core CPI (flash, yoy, %)	Nov.	0,9	1,1	0,9
	11 : 00	EZ Unemployment rate (%)	Oct.	8,8	8,9	8,9
	14 : 30	US Personal income (mom, %)	Oct.	0,4	0,3	0,4
	14 : 30	US Personal consumption (adjusted, mom, %)	Oct.	0,3	0,3	1,0
	15 : 45	US Chicago PMI (points)	Nov.	63,9	63,0	66,2
12. 1.	0 : 30	JP CPI (yoy, %)	Oct.	0,2	-	0,7
	0 : 30	JP core-CPI (yoy, %)	Oct.	0,8	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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