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## Daily Report

### Summary

- The tech sell-off continued yesterday.
- Crude oil prices fell sharply.
- The message in the MNB's statement has changed.
- The European Commission will discuss Italy's budget issue today.

Advanced economies' equity markets continued the previous day's losing streak on Tuesday. Apple's paler-than-expected sales data and the subsequent cancellation of orders sent the technology sector nose-diving. Plunging 5% made Apple the Dow's weakest name; the tech giant's share price has slumped more than 20% from the high hit in October. Energy-related companies joined tech names yesterday as oversupply worries surrounding black gold have not eased at all. WTI and Brent slid near 7% each, with the Brent falling to 62 USD/barrel, from this year's high of USD 86.

Dropping 0.7% made the BUX an outperformer in Central and Eastern Europe where most of its peers sank 1%. Hungarian blue chips closed mixed.

In Tuesday's auction of 3M zero-coupon treasury bills, the ÁKK sold HUF 56 billion debt, more than it had offered. The average yield (-0.06%) was the same as in last week's auction. On the secondary market, bond yields sank by four to nine basis points. The list of 6M and 12M benchmark securities will change today.

Tuesday's meeting of the MNB left interest rates unchanged and the central bank assessed that it was necessary to maintain the existing monetary policy conditions in order to meet the inflation target by mid-2019. Nevertheless, the changes to the wording of the post-meeting statement suggest that Hungary's central bank has become more concerned about inflation, which accelerated to 3.8% year/year in October.

The US dollar has regained some lost ground from the euro and emerging market currencies. The EUR/HUF barely changed (321.3) on Tuesday but the USD/HUF upped 0.8% (to 282.5). Industrial and precious metal prices slipped yesterday.

Asia's key indices painted a colourful picture in this morning's session: Japan's Nikkei225 dipped into the red while the indices in mainland China and Hong Kong were seen nudging higher before the close. This morning the euro and the forint started to work off yesterday's losses against the US dollar. Oil prices began a correction, picking up from yesterday's dive.

Today the USA will publish durable goods orders and existing home sales statistics for October. In Europe, Italy is likely to be in the centre of attention as the European Commission is to discuss whether to open EDP (excessive deficit procedure) given that Italy's government is not willing to lower the deficit target in its 2019 budget.

	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	2641,9	-1,8	-1,2	VIX	22,5	11,8	104	WTI	53,5	-5,8	-11,5
	DOW	24465,6	-2,2	-1,0	US 2Y	2,80	1	90	Brent	62,53	-6,4	-6,5
	Nasdaq100	6527,0	-1,7	2,0	US 10Y	3,05	-1	64	Gold	1221,2	-0,2	-6,2
	DAX	11066,4	-1,6	-14,3	GER 2Y	-0,65	-1	-2	Silver	14,31	-0,8	-15,5
	CAC40	4924,9	-1,2	-7,3	GER 10Y	0,35	-3	-7	EUR/USD	1,14	-0,7	-5,2
	FTSE 100	6947,9	-0,8	-9,6	PT10Y	2,00	1	7	EUR/GBP	0,89	-0,3	0,1
	FTSE MIB	18471,4	-1,9	-15,5	IT 10Y	3,62	4	162	EUR/NOK	9,76	0,5	-0,9
	Stoxx600	351,1	-1,1	-9,8	SP 10	1,67	1	10	USD/CAD	1,33	1,0	5,8
	- Banks	119,1	-2,7	-27,8	iTRAXX	80,7	4,2	79	AUD/USD	0,72	-1,1	-7,5
	Nikkei 225	21528,5	-0,3	-5,4	JPY 2Y	-0,14	0	0	USD/JPY	112,75	0,2	0,1
Regional	SSEC	2651,1	0,2	-19,8	JPY 10Y	0,10	-1	5	GBP/USD	1,28	-0,5	-5,4
	RTS	1116,9	-1,7	-3,3	RUS10	8,7	0,9	15	USD/RUB	66,126	0,8	14,7
	WIG20	2160,57	-1,3	-12,2	POL 10	3,2	-1,1	-3	EUR/PLN	4,31	-0,4	3,2
Hungary	PX50	1060,0	-1,8	-1,7	CZ10	2,1	-0,3	37	EUR/RON	4,662	0,0	-0,3
	BUX	39058	-0,7	-0,8	3M DKJ	-0,01	0	-4	EUR/HUF	321,29	0,0	3,5
	OTP	11290	-1,4	5,3	1Y	0,35	1	30	USD/HUF	282,52	0,8	9,1
	MOL	3110	0,5	3,5	3Y	1,58	-3	103	CHF/HUF	283,89	0,6	7,1
	MTelekom	430	0,6	-6,1	5Y	3,01	-8	184	PLN/HUF	74,50	0,5	0,3
	Richter	5270	-1,0	-22,3	10Y	3,49	-9	144	GBP/HUF	361,25	0,3	3,4

\* In the case of bond yields, the change is in basis points instead of percentage (VIX and ITRAXX not included).

Sources: Reuters, OTP Research

Data		Cd.	Event/Data	Period	Fact	Cons.	Prev.
2018 11. 19.	8 : 00	TR	Retail sales (mom, %)	Oct	-4,6	-0,4	0,4
2018 11. 20.	14 : 00	HU	Interest rate decision (%)	Nov	0,9	0,9	0,9
	14 : 30	US	Housing starts (annualized monthly, '000s)	Oct	1 228	1 225	1 201
	14 : 30	US	Building permits (annualized monthly, '000s)	Oct	1 263	1 267	1 270
21.	14 : 30	US	Durable goods orders (mom, %)	Oct		-2,5	0,7
	16 : 00	US	Leading index (mom, %)	Oct		0,1	0,50
	16 : 00	US	Pending home sales (mom, %)	Oct		-0,1	-1,8
22.	0 : 30	JP	CPI (yoy, %)	Oct		-	1,2
	0 : 30	JP	core-CPI (yoy, %)	Oct		1,0	1,0
	9 : 00	HU	Gross wages (yoy, %)	Sept		-	10,1
	13 : 30	EZ	ECB Minutes	Oct		-	-
	16 : 00	EZ	Consumer confidence (point)	Nov		-3,0	-2,7
23.	1 : 30	JP	Nikkei Manufacturing PMI (points)	Nov		-	52,9
	8 : 00	DE	GDP (detailed, yoy, %)	Q3		1,1	1,1*
	8 : 00	DE	GDP (detailed, qoq, %)	Q3		-0,2	-0,2*
	9 : 15	FR	Markit Manufacturing PMI (points)	Nov		51,0	51,2
	9 : 15	FR	Markit Service PMI (points)	Nov		55,0	55,3
	9 : 30	DE	Markit Manufacturing PMI (points)	Nov		52,2	52,2
	9 : 30	DE	Markit Service PMI (points)	Nov		54,5	54,7
	10 : 00	EZ	Markit Manufacturing PMI (points)	Nov		52,0	52,0
	10 : 00	EZ	Markit Service PMI (points)	Nov		53,5	53,7
	15 : 45	US	Markit Manufacturing PMI (points)	Nov		55,7	55,7
	15 : 45	US	Markit Service PMI (points)	Nov		54,9	54,8
	23 : 50	HU	Moody's Credit Rating decision	-			Baa3

\* preliminary data

Sources: Reuters, OTP Research

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