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Daily Report

Summary

- European equity markets edged higher while their US peers dropped on Friday
- The US dollar firmed versus the euro; the HUF weakened against the key currencies
- Oil prices fell sharply on news that Saudi Arabia did not reduce supplies in November
- EU leaders agreed the UK's Brexit deal, now the House of Commons will vote on it.

Amid the mixed sentiment in Friday's trading, most European stock indices closed higher: the DAX advanced 0.5%, the CAC40 rose by 0.2%, while the FTSE100 slipped 0.1%. On the other side of the Atlantic, the S&P500 and the Nasdaq100 fell 0.7% each.

In this morning's Asian trading session, the Nikkei grew by 0.8% even though the manufacturing PMI fell in month/month comparison.

Investors were unenthusiastic in Central and Eastern Europe, where Warsaw's WIG20 dropped 0.5%, and the BUX closed 0.3% lower. Hungarian blue chips sank by up to 0.5%.

On Friday the US dollar advanced 0.7% against the euro, but the USD/JPY closed nearly flat.

The HUF's depreciation sent the EUR/HUF 0.4% higher and raised the USD/HUF by 1%.

Brent fell almost 6% on Friday, owing to an apparent glut on oil markets. This idea is supported by the Saudi oil minister's announcement that his country's oil production grew further in November. If OPEC and Russia fail to agree on lowering output, the oversupply may continue to weigh on oil markets in 2019, analysts opine.

On Sunday the leaders of EU member states (except the UK) formally approved the broad terms of the UK's withdrawal from the EU. The last sticking point was Gibraltar. In the next step of the departure, the House of Commons will debate Brexit terms, probably in December. Nevertheless, many EU leaders, including Angela Merkel, pointed out that these terms could not be re-negotiated even if the UK does not approve them.

The rising bond yields have cost EUR 9 billion a year to Italy, the country's central bank warned. Moreover, the indirect negative effects of the uncertainty caused by the fiscal loosening had worsened commercial banks' liquidity and capital adequacy ratios too. Italian banks' CET1 ratio is currently at 13.2%, having worsened by 60 basis points on average since the end of 2017.

Today's most important publication is the IFO economic sentiment index. The week's key event is the G-20 summit on Friday and Saturday, when the American and Chinese presidents will meet in private. This will present an opportunity to discuss the existing trade conflicts. The market is cautiously optimistic about the weekend's summit.

	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	2632,6	-0,7	-1,5	VIX	21,5	3,5	95	WTI	50,4	-5,2	-16,6
	DOW	24286,0	-0,7	-1,8	US 2Y	2,82	1	93	Brent	58,80	-6,1	-12,1
	Nasdaq100	6527,4	-0,7	2,0	US 10Y	3,05	-1	64	Gold	1222,4	-0,3	-6,1
	DAX	11192,7	0,5	-13,4	GER 2Y	-0,64	0	0	Silver	14,24	-1,7	-16,0
	CAC40	4947,0	0,2	-6,9	GER 10Y	0,34	-3	-9	EUR/USD	1,13	-0,6	-5,5
	FTSE 100	6952,9	-0,1	-9,6	PT10Y	1,95	-1	2	EUR/GBP	0,88	-0,1	-0,4
	FTSE MIB	18714,9	0,6	-14,4	IT 10Y	3,42	-2	142	EUR/NOK	9,75	0,2	-1,0
	Stoxx600	354,0	0,4	-9,0	SP 10	1,64	-1	7	USD/CAD	1,32	0,3	5,2
	- Banks	120,3	-0,1	-27,1	iTRAXX	80,5	0,8	78	AUD/USD	0,72	-0,3	-7,3
	Nikkei 225	21812,0	0,8	-4,2	JPY 2Y	-0,14	0	-1	USD/JPY	112,94	0,0	0,2
	SSEC	2575,8	-0,1	-22,1	JPY 10Y	0,09	-1	4	GBP/USD	1,28	-0,5	-5,2
Regional	RTS	1113,5	-2,2	-3,5	RUS10	8,8	0,8	16	USD/RUB	66,178	0,9	14,8
	WIG20	2225,39	-0,5	-9,6	POL 10	3,2	-2,3	-4	EUR/PLN	4,29	0,0	2,8
	PX50	1062,4	-0,3	-1,5	CZ10	2,1	0,8	37	EUR/RON	4,656	0,0	-0,4
Hungary	BUX	39380	-0,3	0,0	3M DKJ	0,00	0	-4	EUR/HUF	322,22	0,4	3,8
	OTP	11380	-0,4	6,2	1Y	0,45	7	40	USD/HUF	284,24	1,0	9,8
	MOL	3148	-0,4	4,8	3Y	1,45	-7	90	CHF/HUF	284,79	0,6	7,5
	MTelekom	445	-0,3	-2,9	5Y	2,91	-2	174	PLN/HUF	75,08	0,4	1,1
	Richter	5300	-0,3	-21,8	10Y	3,33	-8	128	GBP/HUF	363,76	0,4	4,1

* 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. 26.	1 : 30	JP Nikkei Manufacturing PMI (points)	Nov	51,8	-	52,9
	10 : 00	DE IFO Economic sentiment index (points)	Nov		102,3	102,8
27.	15 : 00	US Case-Shiller Home Price Index (yoy, %)	Sept		5,3	5,5
	16 : 00	US Consumer confidence (point)	Nov		136	138
28.	9 : 00	HU Unemployment rate (%)	Oct		-	3,8
	14 : 30	US GDP (second estimate, annualized, yoy, %)	Q3		3,6	3,5*
	16 : 00	US New home sales (annualized monthly, '000s)	Oct		578	553
0 0 0	18 : 00	US Jerome Powell speech (Economic Club)	-		-	-
29.	9 : 00	HU Investment (yoy, %)	Q3		-	15,0
	11 : 00	EZ EC Economic Sentiment Index (points)	Nov		109,1	109,8
	14 : 00	DE CPI (flash, yoy, %)	Nov		2,4	2,5
	14 : 30	US Personal income (mom, %)	Oct		0,4	0,2
	14 : 30	US Personal consumption (adjusted, mom, %)	Oct		0,4	0,4
	16 : 00	US Pending home sales (mom, %)	Oct			0,50
	20 : 00	US FOMC Minutes	Nov		-	-
30.	2 : 00	CN NBS Manufacturing PMI (points)	Nov			50,2
	2 : 00	CN NBS non-Manufacturing PMI (points)	Nov			53,9
	8 : 00	DE Retail sales (mom, %)	Oct			0,1
	9 : 00	HU Industrial producer prices (yoy, %)	Oct		-	6,7
	9 : 00	HU Trade balance (detailed, monthly, EUR mn)	Sept		-	268*
	11 : 00	EZ CPI (flash, yoy, %)	Nov		2,1	2,2
	11 : 00	EZ Core CPI (flash, yoy, %)	Nov		1,1	1,1
	11 : 00	EZ Unemployment rate (%)	Oct		8,0	8,1
	15 : 45	US Chicago PMI (points)	Nov		59,0	58,4

* preliminary data

Sources: Reuters, OTP Research

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