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Daily Report

Summary

- Equity markets on both sides of the Atlantic were in correction on Monday.
- Technology shares recovered; the Nasdaq100 rallied 2.3%.
- Crude prices picked up 3% yesterday

Monday's trading opened on a bright note in Europe, helping the major indices close in positive territory. The Stoxx600 and the FTSE were up 1.2% each, and the DAX advanced 1.5%. The sentiment benefited from last weekend's approval of the Brexit deal, and the surge in crude prices lifted European oil producers' stock prices: BP soared 2.4%, Royal Dutch Shell gained 2.9%, and France's grew by Total 1.5%. Italy's FTSE-MIB benchmark jumped 2.8% on news that the government was examining scenarios involving lower deficit targets. Italy's bond yields also fell; that on the 10Y bond sank 14 basis points yesterday.

Hungary's BUX closed 0.6% higher, ending a day of ups and downs. Mol advanced 0.8%, OTP rose by 0.6%, and MTelekom inched up 0.1%. Richter (-0.6%) was the only blue chip to drop. Opus and Konzum were particularly strong names, gaining 7% and 6%, respectively. Elsewhere in the CEE region, Warsaw's WIG20 shed 0.5%, while Prague's PX nudged higher.

Reversing last week's sharp fall, America's equity market opened dynamically, with benchmarks rising by 1.5%–2.3%, thanks to the recovery of the tech sector and oil prices. The S&P's 1.6% increase was fuelled by the telecom, technology and consumer discretionary sectors. The Christmas shopping season, which traditionally begins after Thanksgiving Day, seems to be encouraging, based on the first few days; Amazon's stock price jumped 5%. Financial service providers benefited from the benign sentiment, as did commercial banks, investment service providers, as well as loan and payment service providers – MasterCard soared more than 5%, American Express and PayPal were up nearly 4% each. In the technology segment, NVidia surged 5.6% bouncing back from last week's nose-dive. Among social media platforms, Twitter sky-rocketed 5.5%, Facebook rallied 3.5%. Google grew by 2.5%, and Microsoft advanced 3.3%. Apple shares became 1.4% dearer than on Friday. GM's announcement to cut 14,000 jobs and close seven plants sent its share price almost 8% higher, of which it preserved 5% by the end of the day.

The Bloomberg Dollar Spot Index ground higher. The euro dropped 0.1% against the US dollar, while the pound barely moved on Monday. German Bund yields upped one to two basis points on various maturities, while UK yields rose by 3-4 bps. The US 10Y yield was up three basis points on Monday. In Hungary's government bond market, the long end of the yield curve fell sharply, by 6–12 bps. A slight forint depreciation raised the EUR/HUF by one unit from the morning's 322.5 level, and sent the USD/HUF 0.4% higher. In Monday's FX swap tender, the MNB accepted the equivalent of HUF 225 billion. Taking into account the forthcoming maturities, the excess liquidity provided to Hungary's banking system remained at HUF 1,988 billion. Today Hungary's ÁKK will auction 50 billion government debt in 3M zero-coupon treasury bills.

Reversing Friday's 6-7% fall, crude prices picked up about 3% yesterday, with Brent exceeding 60 USD/barrel and WTI going beyond USD 51. What may have eased market sentiment is that the idea of production limits may emerge as early as this Friday, when the G20 summit begins. A number of OPEC members have urged managing the glut. This morning oil prices were seen sinking again.

Germany's IFO index, released yesterday, was somewhat paler than expected but investors shrugged it off.

Asia's stock markets ended mixed today: Japan closed with gain, while Hong Kong and mainland China slipped into the red. S&P500 futures sank into negative territory as equities came under pressure after President Trump had warned that new tariffs would follow, in addition to the ones taking effect in January.

This week's most important event is the G20 summit on Friday and Saturday, when the presidents of the USA and China will meet behind closed doors. The Case-Shiller home price index and the Conference Board consumer confidence index are due out in the USA today.

	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	2673,5	1,6	0,0	VIX	18,9	-12,2	71	WTI	51,6	2,5	-14,5
	DOW	24640,2	1,5	-0,3	US 2Y	2,84	2	95	Brent	60,48	2,9	-9,6
	Nasdaq100	6678,3	2,3	4,4	US 10Y	3,07	2	66	Gold	1222,3	0,0	-6,2
	DAX	11354,7	1,4	-12,1	GER 2Y	-0,64	0	0	Silver	14,23	-0,1	-16,0
	CAC40	4995,0	1,0	-6,0	GER 10Y	0,36	2	-6	EUR/USD	1,13	-0,1	-5,6
	FTSE 100	7036,0	1,2	-8,5	PT10Y	1,89	-6	-4	EUR/GBP	0,88	0,0	-0,5
	FTSE MIB	19233,5	2,8	-12,0	IT 10Y	3,27	-15	127	EUR/NOK	9,73	-0,2	-1,2
	Stoxx600	358,3	1,2	-7,9	SP 10	1,57	-7	0	USD/CAD	1,33	0,1	5,4
	- Banks	123,3	2,5	-25,3	iTRAXX	78,6	-2,4	74	AUD/USD	0,72	-0,2	-7,4
	Nikkei 225	21952,4	0,6	-3,6	JPY 2Y	-0,14	0	0	USD/JPY	113,59	0,6	0,8
	SSEC	2574,5	0,0	-22,2	JPY 10Y	0,09	0	4	GBP/USD	1,28	0,2	-5,0
Regional	RTS	1084,2	-2,6	-6,1	RUS10	8,9	1,4	17	USD/RUB	67,122	1,4	16,4
	WIG20	2213,57	-0,5	-10,1	POL 10	3,2	0,8	-4	EUR/PLN	4,30	0,1	2,9
	PX50	1065,2	0,3	-1,2	CZ10	2,1	-0,1	37	EUR/RON	4,658	0,0	-0,4
Hungary	BUX	39598	0,6	0,6	3MDKJ	0,00	0	-4	EUR/HUF	323,18	0,3	4,1
	OTP	11450	0,6	6,8	1Y	0,38	-8	33	USD/HUF	285,28	0,4	10,2
	MOL	3172	0,8	5,6	3Y	1,39	-6	84	CHF/HUF	285,54	0,3	7,8
	MTelekom	445	0,1	-2,8	5Y	2,85	-6	168	PLN/HUF	75,21	0,2	1,3
	Richter	5270	-0,6	-22,3	10Y	3,29	-3	125	GBP/HUF	365,54	0,5	4,6

* 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	102,0	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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