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Daily Report

Summary

- Reports on trade war abounded yesterday.
- European car industry shares slid on Monday.
- Donald Trump tweeted about General Motors.
- The USD firmed and crude prices rose yesterday.

Yet again, trade-war-related reports ruled markets yesterday. On Monday, Donald Trump told the Wall Street Journal he was prepared to impose extra tariffs on all goods imported from China, and most probably the tariffs announced earlier will take effect in January as planned. White House economy adviser Larry Kudlow said Donald Trump was open to a new trade deal with China, but new tariffs may be on the cards unless an agreement is reached. The presidents of the USA and China will meet in a working dinner during this weekend's G20 meeting in Buenos Aires. The summit will not be neutral for Europe either, as it precedes a decision whether to impose 25% duty on the USA's car imports, Wirtschafts Woche's sources informed.

Europe's key indices ended in the red. Having heard import tariff news, investors hit carmakers' shares. US markets made slight gains, headed by the health care and consumer staples sectors. In the corporate world, General Motors fell 2.6% a day after announcing job cuts in North America. Donald Trump tweeted the move disappointed him, and he considers ending subsidies for GM. Microsoft rose by 0.6% as Apple's ailing (-0.2%) made MS more likely to become the largest company in the by market capitalization. The growth in US home prices slowed further: prices grew by 5.1% (missing the forecast of 5.3%) in September in year/year comparison, and the annualized quarter/quarter growth rate remained below 2% – this confirms the view that the rising yields are increasingly cooling America's housing market.

The BUX picked up in the last hour of trading, eking out a slight gain as only two blue chips, MOL and Richter, could advance.

In Tuesday's auction of 3M zero-coupon Treasury bills, the ÁKK sold the original amount on offer. The HUF 50 billion government debt was sold at record-low average and minimum yields (-0.11%). On the secondary market, the yield on the shortest maturity rose by four basis points as the list of benchmark securities changed yesterday.

The US dollar has firmed against the EUR, the GBP, the JPY as well as emerging market currencies.

Ending a day of ebbs and flows, the EUR/HUF closed at 323.7. The USD/HUF upped 0.4%, ending at 286.6. The yields on 10Y bonds sank two basis points in Germany, and three points in the UK.

Crude prices closed higher despite Reuters' data that Saudi Arabia's monthly oil production hit all-time high in November. Brent closed near 60 USD/barrel and WTI ended around USD 52. Most important industrial and precious metal prices fell, with tin shrinking by more than 3%.

Asia's key indices gained more than 1% in today's trading. The dollar's appreciation against the yen continued.

Today the Fed's chair Jerome Powell will speak at the Economic Club of New York, where he might hint at when the tightening cycle might continue. The latest statistics on US new home sales are worth checking as the data may support or disprove the general deceleration of the housing market.

	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	2682,2	0,3	0,3	VIX	19,0	0,6	72	WTI	52,1	0,9	-13,8
	DOW	24748,7	0,4	0,1	US 2Y	2,83	-1	94	Brent	60,21	-0,4	-10,0
	Nasdaq100	6701,0	0,3	4,8	US 10Y	3,06	-1	65	Gold	1214,3	-0,7	-6,8
	DAX	11309,1	-0,4	-12,5	GER 2Y	-0,64	-1	-1	Silver	14,14	-0,6	-16,6
	CAC40	4983,2	-0,2	-6,2	GER 10Y	0,35	-2	-8	EUR/USD	1,13	-0,3	-5,9
	FTSE 100	7016,9	-0,3	-8,7	PT10Y	1,90	0	-3	EUR/GBP	0,89	0,2	-0,3
	FTSE MIB	19150,4	-0,4	-12,4	IT 10Y	3,29	2	129	EUR/NOK	9,71	-0,2	-1,4
	Stoxx600	357,4	-0,3	-8,2	SP 10	1,56	-1	-1	USD/CAD	1,33	0,3	5,7
	- Banks	122,3	-0,8	-25,9	iTRAXX	78,6	0,0	74	AUD/USD	0,72	0,0	-7,4
	Nikkei 225	22195,5	1,1	-2,5	JPY 2Y	-0,13	1	0	USD/JPY	113,77	0,2	1,0
SSEC	2601,2	1,0	-21,3	JPY 10Y	0,10	1	5	GBP/USD	1,27	-0,7	-5,7	
Regional	RTS	1098,6	1,3	-4,8	RUS10	8,8	-0,7	16	USD/RUB	67,080	-0,1	16,3
	WIG20	2222,85	0,4	-9,7	POL 10	3,2	-0,4	-4	EUR/PLN	4,29	-0,1	2,8
	PX50	1064,4	-0,1	-1,3	CZ10	2,1	0,4	38	EUR/RON	4,655	-0,1	-0,5
Hungary	BUX	39602	0,0	0,6	3M DKJ	0,06	6	2	EUR/HUF	323,66	0,1	4,2
	OTP	11420	-0,3	6,5	1Y	0,37	-1	32	USD/HUF	286,64	0,5	10,7
	MOL	3182	0,3	5,9	3Y	1,38	-1	83	CHF/HUF	286,99	0,5	8,3
	MTelekom	445	-0,1	-2,9	5Y	2,84	-1	167	PLN/HUF	75,38	0,2	1,5
	Richter	5300	0,6	-21,8	10Y	3,26	-4	121	GBP/HUF	365,19	-0,1	4,5

* 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	5,3	5,5
	16 : 00	US Consumer confidence (point)	Nov	136	136	138
28.	9 : 00	HU Unemployment rate (%)	Oct		-	3,8
	14 : 30	US GDP (second estimate, annualized, yoy, %)	Q3		3,5	3,5*
	16 : 00	US New home sales (annualized monthly, '000s)	Oct		575	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		109,0	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		0,5	0,50
	20 : 00	US FOMC Minutes	Nov		-	-
30.	2 : 00	CN NBS Manufacturing PMI (points)	Nov		50,2	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		58,0	58,4

* preliminary data

Sources: Reuters, OTP Research

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This document was prepared on 28 November 2018.

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