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Daily Report

Summary

- US markets ended an unenthusiastic session but Europe ground higher on Thursday
- The GBP weakened against the USD and the EUR
- Oil prices picked up
- US pending home sales hit four-year low.

America's stock markets ended in the red on Thursday, with the Dow edging 0.1% lower, the S&P500 and the Nasdaq100 dropping 0.3% each. Against this pessimistic background, Abercrombie was a winner of the day in the corporate world – the clothing company's stock price sky-rocketed 21% owing to the whopping net profit and sales figures in its quarterly report.

Amid the benign sentiment, Europe's equity markets achieved gains: the Stoxx600 added 0.2%, the FTSE100 and the CAC40 upped 0.5% each, while the DAX closed flat. UK banking shares closed higher as all of them passed the Brexit stress test conducted by the Bank of England. Barclays rose by 0.3% and the Royal Bank of Scotland grew by 0.6%. In Germany however, Deutsche Bank fell 3.4% after being searched by police on suspicion that its employees had created offshore accounts for customers, and failed to inform authorities about the possibility of money laundering.

The BUX advanced 0.5% on Thursday. Richter rallied 1.9%, Mol advanced 0.4%, Magyar Telekom stagnated and OTP, the only blue chip to descend, edged 0.2% lower.

The minutes of the Fed Open Market Committee's latest meeting indicate that monetary policy decision-makers unanimously support another rate increase 'fairly soon' if labour market conditions and inflation data develop as expected. This supports analysts' prediction that fed funds rates will increase in December. That said, decision makers opined that monetary policy was 'not on a preset course' – in accordance with previous statements, this highlights the necessity of the monetary policy's flexible approach in 2019.

The GBP's weakened pushed the GBP/USD 0.2% lower and sent the EUR/GBP 0.5% higher. The EUR/HUF stagnated.

Russia is increasingly prepared to urge reducing petroleum output but it needs OPEC members' support, Reuters' sources informed. Consequently the price of WTI climbed 1.9% higher. Government bond yields fell universally, with the 10Y maturity dropping 1.9 bps in the USA, falling 2.7 bps in Germany, and sliding 6.3 bps in Italy.

The statistics on the US household sector were encouraging. Personal incomes were up 0.5% in October from the previous month, and personal expenditures expanded by 0.6%. Both gauges exceeded the previous reading and analysts' forecasts. In contrast, the US housing market data caused disappointment: pending home sales contracted by 2.6% month over month in October, hitting a four-year low.

In the third quarter of this year, investment volume in Hungary grew by 22.1%, largely driven by the 'transportation and storage' (+41.8%) as well as the 'public administration, defence, and compulsory social security' (+65.8%) sectors.

The G20 meeting, which is to end on Saturday, is likely to witness a US-China summit. It remains to be seen if parties succeed in easing trade-related disagreements or in stopping the trade war from escalating further. President Trump's interviews on Thursday did not provide any guidance on that.

	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	2737,8	-0,2	2,4	VIX	18,8	1,6	70	WTI	51,5	1,7	-14,8
	DOW	25338,8	-0,1	2,5	US 2Y	2,81	1	92	Brent	59,51	1,3	-11,0
	Nasdaq100	6898,4	-0,2	7,8	US 10Y	3,04	-1	62	Gold	1223,6	0,2	-6,1
	DAX	11298,2	0,0	-12,5	GER 2Y	-0,60	-2	4	Silver	14,30	-0,1	-15,6
	CAC40	5006,3	0,5	-5,8	GER 10Y	0,32	-3	-10	EUR/USD	1,14	0,2	-5,0
	FTSE 100	7039,0	0,5	-8,4	PT10Y	1,85	-3	-8	EUR/GBP	0,89	0,5	0,3
	FTSE MIB	19159,6	0,2	-12,3	IT 10Y	3,20	-6	120	EUR/NOK	9,72	0,0	-1,3
	Stoxx600	358,1	0,2	-8,0	SP 10	1,51	-4	-6	USD/CAD	1,33	0,0	5,6
	- Banks	122,8	0,7	-25,6	iTRAXX	79,7	-1,0	77	AUD/USD	0,73	0,2	-6,2
	Nikkei 225	22351,1	0,4	-1,8	JPY 2Y	-0,13	1	1	USD/JPY	113,47	-0,2	0,7
	SSEC	2586,3	0,7	-21,8	JPY 10Y	0,09	0	4	GBP/USD	1,28	-0,2	-5,3
Regional	RTS	1141,3	2,5	-1,1	RUS10	8,7	-1,5	14	USD/RUB	66,244	-1,2	14,9
	WIG20	2303,37	1,7	-6,4	POL 10	3,1	-1,5	-5	EUR/PLN	4,28	0,0	2,6
	PX50	1065,7	0,0	-1,2	CZ10	2,1	-0,5	36	EUR/RON	4,657	0,5	-0,4
Hungary	BUX	39862	0,5	1,2	3M DKJ	0,06	0	2	EUR/HUF	323,45	0,0	4,2
	OTP	11400	-0,2	6,3	1Y	0,38	1	33	USD/HUF	283,76	-0,3	9,6
	MOL	3178	0,4	5,8	3Y	1,33	-5	78	CHF/HUF	284,96	-0,4	7,5
	MTelekom	452	-0,1	-1,3	5Y	2,79	-1	162	PLN/HUF	75,43	0,0	1,5
	Richter	5460	1,9	-19,5	10Y	3,25	-8	120	GBP/HUF	362,77	-0,6	3,8

* 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	5,1	5,3	5,5	
	16 : 00	US Consumer confidence (point)	Nov	136	136	138	
28.	9 : 00	HU Unemployment rate (%)	Oct	3,7	-	3,8	
	14 : 30	US GDP (second estimate, annualized, yoy, %)	Q3	3,5	3,5	3,5*	
	16 : 00	US New home sales (annualized monthly, '000s)	Oct	544	575	553	
	18 : 00	US Jerome Powell speech (Economic Club)	-	-	-	-	
29.	9 : 00	HU Investment (yoy, %)	Q3	22,1	-	15,0	
	11 : 00	EZ EC Economic Sentiment Index (points)	Nov	109,5	109,0	109,8	
	14 : 00	DE CPI (flash, yoy, %)	Nov	2,3	2,4	2,5	
	14 : 30	US Personal income (mom, %)	Oct	0,5	0,4	0,2	
	14 : 30	US Personal consumption (adjusted, mom, %)	Oct	0,6	0,4	0,4	
	16 : 00	US Pending home sales (mom, %)	Oct	-2,6	0,5	0,50	
	20 : 00	US FOMC Minutes	Nov		-	-	
	30.	2 : 00	CN NBS Manufacturing PMI (points)	Nov	50,0	50,2	50,2
		2 : 00	CN NBS non-Manufacturing PMI (points)	Nov	53,4		53,9
		8 : 00	DE Retail sales (mom, %)	Oct	-0,3	0,3	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		2,0	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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