

Treasury Sales Team

Head of Sales

Ottó Demjén

+36 1 288 7558

Otto.Demjen@otpbank.hu

Retail

Zsigmond Csillag

+36 1 288 7556

zsigmond.csillag@otpbank.hu

Attila Keresztyén

+36 1 288 7552

KeresztyenA@otpbank.hu

István Milán Nagy

+36 1 288 7554

milan.nagy@otpbank.hu

Frigyes Soós

+36 1 288 7571

SoosF@otpbank.hu

Pál András Saághy

+36 1 288 7553

Pal.Andras.Saaghy@otpbank.hu

Institutional

Lóránt Fábián

+36 1 288 7572

Lorant.Fabian@otpbank.hu

Szilvia Lovas

+36 1 288 7545

LovasSz@otpbank.hu

János Mladoniczki

+36 1 288 7551

MladoniczkiJ@otpbank.hu

Corporate

Nóra Ilona Gordos

+36 1 288 7549

Nora.Ilona.Gordos@otpbank.hu

János Imrei

+36 1 288 7555

janos.imrei@otpbank.hu

Csinszka Kis-Böndi

+36 1 288 7544

Kis-bondics@otpbank.hu

Roxána Kosztelnik

+36 1 288 7541

roxana.kosztelnik@otpbank.hu

Edit Kovács Gyimóti

+36 1 288 7542

KovacsGyE@otpbank.hu



Daily Report

Summary

- Europe's stock markets ended in the red; Wall Street was closed on Wednesday
- China did not confirm previous reports on scrapping tariffs on US car imports.
- France backs down on raising fuel taxes.
- Germany released cheering macroeconomic statistics

In Wednesday's gloomy sentiment on Europe's equity markets, the DAX fell 1.2% and the FTSE100 closed 1.4% down. Going with the flow, the BUX dropped 0.7% as Richter shed 0.3%, Magyar Telekom lost 0.4%, and Mol slid 1.9%; only OTP could climb 0.3% higher.

America's stock markets were closed on a national day of mourning. On Wednesday China denied previous reports that it would remove the 40% tariff on US car imports. Back on Sunday, Donald Trump tweeted that following his meeting with China's leader Xi Jinping, China would abandon import tariffs. But White House admitted there was no such deal.

As a consequence of the three-week-long protests, France's government backed down on raising fuel taxes. Previously, Prime Minister Édouard Philippe said the taxes' implementation would be delayed by six months. But that did not end protests, so the government decided to abandon such plans.

Member states' council and the European Parliament reached an agreement on the European Union's budget for 2019. The total commitments in the 2019 EU budget are set at EUR 165.8 billion (+3.2%) and payments amount to 148.2 billion (+2.4%).

This morning Germany released encouraging macroeconomic figures. Factory goods orders rose by 0.3% year/year in October, beating analysts' estimate of 0.4% contraction. In October the volume of retail sales in the eurozone grew by 0.3% month/month, slightly exceeding analysts' projection of 0.2% and surpassing the previous month's stagnant gauge.

Hungary's KSH statistics office published the detailed data on GDP growth in the third quarter. Hungary's economic output expanded by 4.9% in Q3 from the same period of last year. On the production side, growth was broad based, with agriculture surging 3.4%, industry advancing 2.7%, and services increasing by 3.8%. The construction industry skyrocketed 27.5%. Hungary's industrial production grew by 5.9% year/year in October, bouncing back from the previous month's 0.6% contraction. In working-day adjusted terms the growth rate was 3.3%.

The Fed's Beige Book, published yesterday, reveals that the US economy's growth potentials are promising in the short run, and the labour market is tight. In comparison with previous Beige Books, tariffs and duties have become less pronounced, but the trade war between the USA and China remains the most important negative risk to economic growth.

OPEC member states' representatives will meet in Vienna today. What brings the current occasion into the centre of attention is the 30% fall in petroleum prices over the past two months. In the face of pressure from the USA, this meeting is likely to curb output. The idea is supported by the cartel's leader Saudi Arabia, and a non-member, Russia, even if the latter warned: a too drastic production cut may add to volatility on oil markets.

	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	2700,1	0,0	1,0	VIX	20,7	0,0	88	WTI	53,3	0,9	-11,9
	DOW	25027,1	0,0	1,2	US 2Y	2,81	0,0	92	Brent	61,56	-0,8	-7,9
	Nasdaq100	6795,2	0,0	6,2	US 10Y	2,92	0,0	51	Gold	1237,5	-0,1	-5,0
	DAX	11200,2	-1,2	-13,3	GER 2Y	-0,61	0,2	3	Silver	14,50	-0,1	-14,4
	CAC40	4944,4	-1,4	-6,9	GER 10Y	0,27	1,0	-15	EUR/USD	1,1344	0,0	-5,4
	FTSE 100	6921,8	-1,4	-10,0	PT10Y	1,82	2,9	-11	EUR/GBP	0,8906	-0,1	0,3
	FTSE MIB	19328,7	-0,1	-11,6	IT 10Y	3,07	-8,5	107	EUR/NOK	9,6450	0,0	-2,1
	Stoxx600	354,3	-1,2	-9,0	SP 10	1,47	-2,5	-10	USD/CAD	1,3352	0,7	6,2
	- Banks	120,4	-0,8	-27,1	iTRAXX	82,3	3,1	82,4	AUD/USD	0,7268	-0,9	-6,8
	Nikkei 225	21501,6	-1,9	-5,5	JPY 2Y	-0,15	-1,5	-1	USD/JPY	113,19	0,4	0,5
	SSEC	2605,2	-1,7	-21,2	JPY 10Y	0,05	-1,7	0	GBP/USD	1,2731	0,1	-5,8
Regional	RTS	1153,0	-0,2	-0,1	RUS10	8,7	0,6	14	USD/RUB	66,500	-0,5	15,3
	WIG20	2354,54	0,4	-4,3	POL 10	3,1	0,5	-7	EUR/PLN	4,28	0,0	2,5
	PX50	1051,0	-1,4	-2,5	CZ10	2,1	-1,3	35	EUR/RON	4,652	0,1	-0,5
Hungary	BUX	40670	-0,7	3,3	3M DKJ	0,05	-0,5	1	EUR/HUF	323,21	-0,1	4,1
	OTP	11850	0,3	10,5	1Y	0,33	-1,5	28	USD/HUF	284,80	-0,1	10,0
	MOL	3144	-1,9	4,6	3Y	1,30	1,5	75	CHF/HUF	285,41	-0,2	7,7
	MTelekom	452	-0,4	-1,3	5Y	2,74	6,0	157	PLN/HUF	75,41	-0,2	1,5
	Richter	5740	-0,3	-15,3	10Y	3,22	8,2	118	GBP/HUF	362,48	-0,1	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 12 3.	8 : 00	TR Inflation (yoy, %)	Nov	21,6	22,6	25,2
	9 : 00	HU Manufacturing PMI (points)	Nov	53,5	-	57,3
	16 : 00	US ISM Manufacturing PMI (points)	Nov	59,3	58,0	57,7
	16 : 00	US Construction expenditure (mom, %)	Oct	-0,1	0,4	0,0
	21 : 30	US Vehicle sales (annualized monthly, million)	Nov	17,5	17,3	17,6
5.	9 : 00	HU Retail sales (SA, first estimate, yoy, %)	Oct	5,7	-	5,4
	9 : 00	HU GDP (detailed, yoy, %)	Q3	5	4,8	4,8*
	11 : 00	EZ Retail sales (mom, %)	Oct	0,3	0,2	0,0
	14 : 00	PL Interest rate decision (%)	Dec	1,5	1,5	1,5
	14 : 15	US ADP non-farm employment (mom, '000s)	Nov		195,0	227
	16 : 00	US ISM non-Manufacturing PMI (points)	Nov		59,2	60,3
	20 : 00	US Fed Beige Book	-		-	-
6.	8 : 00	DE Industrial orders (mom, %)	Oct	0,3	-0,4	0,1
	9 : 00	HU Industrial production (preliminary, yoy, %)	Oct	5,9	-	-0,60
	16 : 00	US Factory orders (mom, %)	Oct		-2,0	0,7
		OPEC Meeting	-		-	-
7.	8 : 00	DE Industrial production (mom, %)	Oct		0,3	0,2
	9 : 00	HU Trade balance (preliminary, monthly, EUR mn)	Oct		-	268,0
	10 : 00	HU International reserves (preliminary, EURbn)	Nov		-	24,7
	11 : 00	EZ GDP (detailed, yoy, %)	Q3		1,7	1,7*
	11 : 00	EZ GDP (detailed, qoq, %)	Q3		0,2	0,2*
	11 : 00	HU Fiscal balance (monthly, billion HUF)	Nov		-	-181,6
	14 : 30	US Unemployment rate (%)	Nov		3,7	3,7
	14 : 30	US Average earnings (yoy, %)	Nov		3,1	3,1
	14 : 30	US Average earnings (mom, %)	Nov		0,3	0,2
	14 : 30	US Non-farm payroll (mom, '000s)	Nov		200,0	250,0
	16 : 00	US Michigan Consumer confidence (preliminary, points)	Dec		97	98

* preliminary data

Sources: Reuters, OTP Research

Chief Economist
Gergely Tardos
tardosg@otpbank.hu
+36 1 374 7273

Analyst
Beáta Váradi
varadibe@otpbank.hu
+36 1 374 7271

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