

## Treasury Sales Team

### Headquarter Treasury Sales

**Alexandru Tibuleac**  
0372 31 85 85  
alexandru.tibuleac@otpbank.ro

**Cristian Ilie**  
0372 31 85 86  
ilie.cristian@otpbank.ro

**Corina Bejan**  
0372 31 85 84  
corina.bejan@otpbank.ro

**Andreea Nica**  
0755 000 106  
andreea.nica@otpbank.ro

### Regional Treasury Sales

**Szilamer Kozma - Cluj**  
0755 000 400  
szilamer.kozma@otpbank.ro

**Tudor Zaman - Bucuresti**  
0755 000 199  
tudor.zaman@otpbank.ro

**Alexandru Sabin - Arad**  
0730 577 959  
alexandru.sabin@otpbank.ro



## Summary

- The ECB's rate-setting meeting moved European markets yesterday; reducing the asset purchase programme surprised investors.
- Banking shares headed the rise in Europe.
- The Dow and the S&P500 hit new highs again.
- The USD firmed against all major currencies.

Thursday's most important event was the ECB Governing Council's rate-setting meeting, which met expectations in leaving interest rates on hold and extending the asset purchase programme until the end of 2017. However, the council decided to reduce the volume of monthly purchases from EUR 80 billion to 60 billion, starting from April 2017. This surprised investors and broke the impetus of the slowly rising European markets, but indices recovered and rebounded after the ECB President's press conference. Mario Draghi was optimistic about global outlook and confirmed that the programme's parameters may be modified in the future, if it becomes necessary.

Banking shares were definitely the engines of growth yesterday. Spain's IBEX35 (+2.1%) was the strongest index in advanced economies. In Italy, the FTSEMIB upped 1.6% as investors flocked to buy banking shares, helping Banco Popolare Milano soar 10%.

America preserved the optimism seen earlier in the week; the Dow and the S&P500 continued the streak of new records. The strongest sectors were telecommunications and real estate; the latter has been on the rise since the presidential election. Biotech companies saw the most painful losses, as the president-elect criticized high medicine prices.

In Asia, the 1.2% gain of Japan's Nikkei225 was the strongest performance, while the Hang Seng in Hong Kong closed 0.7% in the red this morning. Recovering from the previous day's ailing, the Shanghai Composite advanced 0.5%.

In sync with the ECB's decision, the EUR lost 1.35% against the USD; the pair closed at 1.06. The universal dollar appreciation pushed the USD/JPY 0.4% higher, and the greenback regained 1.5% from the Turkish lira, wiping out all the gains the TRY made on Wednesday. Neither could the HUF keep pace with the dollar; the USD/HUF closed 1.7% higher, at 296.1. The EUR/HUF rose by 0.3%; the EUR traded above 314 versus the HUF at the end of the day.

The Brent and the WTI gained about 2% each; industrial and precious metal prices fell on Thursday.

	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	2246,2	0,2	9,9	VIX	12,6	3,4	-31	WTI	50,84	2,1	37
	DOW	19614,8	0,3	13	US 2Y	1,11	0,4	4	Brent	53,89	1,7	45
	Nasdaq100	4859,2	0,1	5,8	US 10Y	2,39	4,2	11	Gold	1170,5	-0,3	10
	DAX	11179,4	1,8	4,1	GER 2Y	-0,73	-5,1	-39	Silver	17,01	-0,5	23
	CAC40	4735,5	0,9	2,1	GER 10Y	0,38	3,2	-26	EUR/USD	1,0615	-1,3	-2,3
	FTSE 100	6931,6	0,4	11	PT10Y	3,74	22,8	120	EUR/GBP	0,8428	-1,1	14
	FTSE MIB	18427,9	1,6	-14	IT 10Y	2,01	10,2	41	EUR/NOK	8,9519	-0,5	-6,8
	Stoxx600	352,0	1,2	-4	SP 10	1,51	7,7	-28	USD/CAD	1,3189	-0,3	-4,7
	- Banks	138,0	0,9	-7	iTRAXX	74,0	0,0	-4	AUD/USD	0,7459	-0,3	2,5
	Nikkei 225	18996,4	1,2	0	JPY 2Y	-0,18	0,1	-17	USD/JPY	114,01	0,2	-5
	SSEC	3232,0	0,5	-9	JPY 10Y	0,06	0,9	-22	GBP/USD	1,2584	-0,3	-15
Regional	RTS	1097,4	2,9	45	RUS10	8,58	-0,5	-12	USD/RUB	63,305	0,2	-13
	WIG20	1921,1	1,7	3,3	POL 10	3,62	2,3	23	EUR/PLN	4,4371	0,2	4,2
	PX50	899,6	0,6	-5,9	CZ10	0,58	3,2	-3	EUR/RON	4,4963	0,0	-0,5

\* In the case of bond yields, the change is in basispoint instead of percentage (VIX and ITRAXX not included).

Data		Cd.	Event/Data	Period	Fact	Cons.	Prev.	
2016. 12. 5.	9 : 00	HU	Retail sales (first estimate, yoy, %)	Oct.	2,6	-	5,1	
	10 : 30	EZ	Sentix Investor confidence (point)	Dec.	10,0	13,0	13,1	
	10 : 30	EZ	Eurogroup meeting	Dec.				
	11 : 00	EZ	Retail sales (mom, %)	Oct.	1,1	0,7	-0,4	
	16 : 00	US	ISM non-Manufacturing PMI (point)	Nov.	57,2	55,3	54,8	
6.	8 : 00	DE	Industrial orders (mom, %)	Oct.	4,9	0,5	-0,6	
	9 : 00	CZ	Retail sales (yoy, %)	Oct.	2,0	-	4,7	
	9 : 00	HU	Industrial production (preliminary, yoy, %)	Oct.	-2,1	-	-3,7	
	9 : 00	HU	GDP (detailed, yoy, %)	Q3	2,2	-	2,0*	
	9 : 00	RO	GDP (detailed, yoy, %)	Q3	4,4	-	6,0	
	9 : 00	SK	GDP (detailed, yoy, %)	Q3	3,0	-	3,8	
	11 : 00	EZ	GDP (revision, yoy, %)	Q3	1,7	1,6	1,6*	
	11 : 00	EZ	GDP (revision, qoq, %)	Q3	0,3	0,3	0,3*	
	16 : 00	US	Factory orders (mom, %)	Oct.	2,7	2,2	0,3	
	0 0	EU	ECOFIN Meeting	Dec.				
	7.	8 : 00	DE	Industrial production (mom, %)	Oct.	0,3	0,8	-1,8
		9 : 00	HU	International reserves (final, billion EUR)	Oct.	25,0	-	25,0
		10 : 30	UK	Industrial production (mom, %)	Oct.	-1,3	0,2	-0,4
11 : 00		HU	Fiscal balance (monthly, billion HUF)	Nov.	2,0	-	59,7	
11 : 30		PL	Interest rate decision (%)	Dec.	1,5	1,5	1,5	
8.	0 : 50	JP	GDP (revision, annualized qoq, %)	Q3	1,3	2,4	2,2	
	3 : 00	CN	Import (yoy, %)	Nov.	6,7	-1,3	-1,4	
	3 : 00	CN	Export (yoy, %)	Nov.	0,1	-5,0	-7,3	
	9 : 00	HU	CPI (yoy, %)	Nov.	1,1	1,2	1,0	
	9 : 00	HU	core-CPI (yoy, %)	Nov.	1,5	-	1,4	
	9 : 00	HU	Current account (preliminary, monthly, million EUR)	Oct.	891,0	-	1005	
	13 : 45	EZ	ECB Interest rate decision (lending rate, %)	Dec.	0,0	0,0	0,0	
	13 : 45	EZ	ECB Interest rate decision (deposit rate, %)	Dec.	-0,4	-0,4	-0,4	
9.	8 : 00	DE	Export (mom, %)	Oct.	0,5	1,0	-0,7	
	16 : 00	US	Wholesale inventories (revision, mom, %)	Oct.		-0,4	-0,4*	
	16 : 00	US	Michigan Consumer confidence (preliminary, point)	Dec.		94,5	93,8	

\*Preliminary data

Source: Reuters, OTP Research

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

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

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