

## 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

- Non-OPEC producers also agreed to output limits. Saudi Arabia may further reduce its production.
- Optimism persisted on advanced equity markets; the Dow hit new high.
- There was strong demand for stocks in Europe, but investors shunned Italian banking shares.
- Italy's president asked foreign minister Paolo Gentiloni to form government.

Unexpectedly, the weekend meeting of the 11 non-OPEC countries (including Russia) which give one-fifth of the world's oil production have agreed to trim daily production by a total 558,000 barrels a day. Russia took on reducing output by 300,000 barrels, Mexico will drop it by 100,000 barrels, Azerbaijan is to trim it 35,000, and Oman agreed to lower it by 40,000. After some diplomatic pressure, Kazakhstan also undertook a 20,000 barrel cut, which was particularly important because Kazakhstan's output picked up after production started on a huge field went in October. That said, it remains to be seen if the commitments are wholly observed – Mexico and some other countries are not planning to intentionally decrease the output volume, but are prepared not to substitute the lower output stemming from the natural aging of oil fields. In another surprise, Saudi Arabia said it was willing to take on stronger cuts than in the 30 November OPEC agreement, and even to go below the psychological barrier of 10 million barrels

Advanced markets ended a benign trading day on Friday. In Europe, the Stoxx600 index closed 1% higher, largely bolstered by pharmaceutical, media and food companies, while its losers included commodity producers, banks and insurance companies. Sky Plc (+27%) skyrocketed after a preliminary agreement in which 21st Century Fox will buy it for GBP 11.2 billion. Milan's stock index (-0.7%) was one of the losers in Western Europe, reversing a three-day streak of up moves. Banca Monte dei Paschi di Siena fell 11%, Unicredit lost more than 2%, and Intesa Sanpaolo dipped 1.7%. One billion USD was withdrawn from Italy's investment funds on the week ending 7 December, and USD 100 billion capital has left Italian banks so far this year, according to BofA-Merrill Lynch's data. Emerging markets' stock exchanges closed mixed on Friday.

In the USA, the week-long optimism persisted and led to new record, with the Dow and the NASDAQ hitting new highs. They were driven by defensive sectors: within the S&P500 sector indices, consumer staples, health care, and utilities were the strongest names. The Dow and the S&P both gained 3% over last week; the latter has increased by 5.3% since the presidential election. Goldman Sachs may be a biggest winner of the post-election period: the financial service provider's share price jumped 33% over the last month.

Asia's stock exchanges opened with gains, but only Japan could preserve the initial enthusiasm; largely owing to the yen's weakening. The Shanghai Composite closed 2% stronger this morning.

WTI futures rose to 51.5 USD/barrel (+1.3%) and the Brent upped 0.8% on Friday. Saudi Arabia's announcement may lead to higher oil price, which jumped 5% higher during trading in Asia this morning. Gold price slipped 0.9%, to its lowest level since February, while the Fed is about to raise interest rates. Industrial metal prices have grown either.

As the USD extended its winning streak, the EUR/USD topped Thursday's 1.3% drop and sank 0.6% on Friday, drawing near the 1.05 mark. The USD firmed against the GBP too, and preserved its strength against the JPY.

The November balance of the US federal budget may be of interest today.

	Stocks				Bonds				Commodity & FX			
	Product name	Close	Daily change (%)	YTD (%)	Product name	Yield	Daily change*	YTD*	Product name	Close	Daily change (%)	YTD (%)
<b>Global</b>	S&P500	2259,5	0,6	10,5	VIX	11,8	-7,0	-35	WTI	51,50	1,3	38
	DOW	19756,9	0,7	13	US 2Y	1,13	2,5	7	Brent	54,33	0,8	46
	Nasdaq100	4895,9	0,8	6,6	US 10Y	2,46	7,5	19	Gold	1157,8	-1,1	9
	DAX	11203,6	0,2	4,3	GER 2Y	-0,75	-2,2	-41	Silver	16,86	-0,9	22
	CAC40	4764,1	0,6	2,7	GER 10Y	0,36	-2,2	-28	EUR/USD	1,0559	-0,5	-2,8
	FT SE 100	6954,2	0,3	11	PT10Y	3,83	8,7	129	EUR/GBP	0,8399	-0,3	14
	FT SE MIB	18292,7	-0,7	-15	IT 10Y	2,04	3,2	44	EUR/NOK	8,9831	0,3	-6,4
	Stoxx600	355,4	1,0	-3	SP 10	1,52	1,1	-26	USD/CAD	1,3175	-0,1	-4,8
	- Banks	136,1	-1,4	-8	iTRAXX	72,7	-1,7	-6	AUD/USD	0,7451	-0,1	2,4
	Nikkei 225	19155,0	0,8	1	JPY 2Y	-0,18	-0,2	-18	USD/JPY	115,36	1,2	-4
	SSEC	3153,0	-2,5	-11	JPY 10Y	0,07	1,6	-20	GBP/USD	1,2574	-0,1	-15
<b>Regional</b>	RTS	1110,1	1,2	47	RUS10	8,55	-0,3	-12	USD/RUB	62,465	-1,3	-14
	WIG20	1899,8	-1,1	2,2	POL 10	3,62	-0,1	23	EUR/PLN	4,4470	0,2	4,4
	PX50	900,7	0,1	-5,8	CZ10	0,56	-3,1	-6	EUR/RON	4,4992	0,1	-0,4

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2016 12. 12.	20 : 00 US	Federal budget balance (USDbn)	Nov.		-	-44,0
13.	3 : 00 CN	Industrial production (yoy, %)	Nov.		6,1	6,1
	3 : 00 CN	Retail sales (yoy, %)	Nov.		10,1	10,0
	3 : 00 CN	Infrastructural spending (yoy, %)	Nov.		8,3	8,3
	8 : 00 DE	CPI (final, yoy, %)	Nov.		0,8	0,8*
	10 : 30 UK	CPI (yoy, %)	Nov.		1,1	0,9
	11 : 00 DE	ZEW Economic Sentiment (points)	Dec.		14,0	13,8
14.	1 : 30 JP	Nikkei Manufacturing PMI, flash (points)	Dec.		-	51,3
	9 : 00 HU	Industrial production (second estimate, yoy, %)	Oct.		-	-2,1*
	11 : 00 EZ	Industrial production (mom, %)	Oct.		0,3	-0,8
	14 : 30 US	Retail sales (mom, %)	Nov.		0,5	0,8
	15 : 15 US	Industrial production (mom, %)	Nov.		-0,1	0,0
	16 : 00 US	Business inventories (mom, %)	Oct.		-0,2	0,1
	20 : 00 US	Interest rate decision (%)	Dec.		0,5-0,75	0,25-0,5
15.	9 : 00 HU	Construction output (yoy, %)	Oct.		-	-13,2
	9 : 00 FR	Markit Service PMI (points)	Dec.		52,0	51,6
	9 : 00 FR	Markit Manufacturing PMI (points)	Dec.		52,0	51,7
	9 : 30 DE	Markit Service PMI (points)	Dec.		55,0	55,1
	9 : 30 DE	Markit Manufacturing PMI (points)	Dec.		54,5	54,3
	10 : 00 EZ	Markit Service PMI (points)	Dec.		53,8	53,8
	10 : 00 EZ	Markit Manufacturing PMI (points)	Dec.		53,8	53,7
	10 : 30 UK	Retail sales (mom, %)	Nov.		0,2	1,9
	13 : 00 UK	Interest rate decision (%)	Dec.		0,3	0,3
	14 : 30 US	New York Fed Manufacturing index (points)	Dec.		3,0	1,5
	14 : 30 US	CPI (yoy, %)	Nov.		1,7	1,6
	14 : 30 US	CPI (mom, %)	Nov.		0,2	0,4
	14 : 30 US	core-CPI (yoy, %)	Nov.		2,2	2,1
	14 : 30 US	core-CPI (yoy, %)	Nov.		0,2	0,1
16.	9 : 00 HU	Retail sales (second estimate, yoy, %)	Oct.		-	2,6*
	11 : 00 EZ	CPI (final, yoy, %)	Nov.		0,6	0,6*
	14 : 30 US	Building permits (annualized monthly, '000s)	Nov.		1237	1260
	14 : 30 US	New home sales (annualized monthly, '000s)	Nov.		1237	1260

\*Preliminary data

Source: Reuters, OTP Research

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

**Fundamental Analyst**  
Orsolya Rátkai  
ratkaio@otpbank.hu  
+36 1 374 7270

## Disclaimer

**OTP Bank Plc. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.**

This communication does not contain a comprehensive analysis of the described issues. This material is only for information purposes and it is not intended as an investment advice, an offer or solicitation for the purchase or sale of any financial instrument, and it does not constitute legal, tax or accounting advice.

Information herein reflects the market situation at the time of writing. It provides only momentary information and may change as market conditions and circumstances develop. Additional information may be available on request. Although the information in this document has been prepared in good faith from sources which OTP Bank believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. Opinions and estimates constitute our judgment and are subject to change without notice. OTP Bank may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments is made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. Any concrete individual decision or investment made based on this publication is the sole risk of the Client and OTP Bank shall not be held responsible for the success of the investment decisions or for attaining the Client's target.

Figures described herein refer to the past and past performance is not a reliable indicator of future results.

OTP Bank Plc. (registered seat: Nádor utca 16., Budapest H-1051, Hungary. Supervisory authority: Magyar Nemzeti Bank (National Bank of Hungary – H-1013 Budapest, Krisztina krt. 39.sz.) PSZÁF licence numbers: III/41.003-22/2002 and E-III/456/2008. For more information, please refer to: <https://www.otpbank.hu/portal/hu/Megtakaritas/Ertekpapir/MIFID>). All rights reserved. This publication is exclusively owned by OTP Bank Plc., no part of this material can be reproduced, re-used or disseminated without the prior written consent of OTP Bank Plc.

If you received this document from OTP Bank Plc, then it was sent to you with your previous consent. You may withdraw this permission by sending an e-mail to [research@otpbank.hu](mailto:research@otpbank.hu) or writing a letter addressed to "Research Center" Hungary 1051, Budapest Nádor utca. 21. Please refer to your name and e-mail address in both cases.

## Disclaimer for OTP Bank Romania S.A. customers

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centred on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to [csaba.balint@otpbank.ro](mailto:csaba.balint@otpbank.ro) or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.