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Summary

- In Tuesday's supportive sentiment, stock markets advanced on both sides of the Atlantic.
- Unicredit is planning a massive capital increase and is to get rid of EUR 18 bn bad loan.
- Markets unanimously expect tonight's Fed meeting to raise the base rate by 25bp.

In Tuesday's optimistic trading, indices made gains across Europe and America. Asia's markets made marginal moves this morning. Unicredit went through the roof – trading with the company's shares was suspended when they soared 18%. The bank announced USD 13 billion share issuance in the first quarter of 2017, in line with expectations. In addition, it is to cut jobs by 11%, and get rid of almost EUR 18 billion of non-performing loans. In Europe, telecommunications and media companies excelled, after Silvio Berlusconi's Mediaset obtained a stake in Vivendi.

Commodity prices moved in mixed directions yesterday: that of oil barely changed, copper slipped, and cereals have increased. This morning oil price dropped as US crude reserves have risen since the previous week.

In Tuesday's auction of 3M discount treasury bills, the strong demand led to a lower average yield of 0.12%, down from 0.2% last week. Yields on the secondary market also slipped, the 5Y one sank eight points and the 10Y fell six points.

As currency markets are waiting for the Fed's Wednesday decision, there were just subtle moves in the key pairs on Tuesday. The higher-than-expected UK inflation figure caused just a short-lived spike in the GBP.

The macroeconomic statistics released on Tuesday were fairly good; the increase in China's retail sales has surpassed expectations. The ZEW sentiment index for the eurozone improved but that on Germany stayed flat. Today's most important event will be the Fed's rate decision; forward rate agreements suggest that a 25-bps rate hike is a sure thing. Accordingly, the 2Y US yield also upped on Tuesday. The USA will also publish macro data.

	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	2271,7	0,7	11,1	VIX	12,7	0,6	-30	WTI	52,98	0,3	42
	DOW	19911,2	0,6	14	US 2Y	1,17	2,9	11	Brent	55,72	0,1	49
	Nasdaq100	4935,8	1,3	7,5	US 10Y	2,48	0,1	21	Gold	1158,0	-0,4	9
	DAX	11284,7	0,8	5,0	GER 2Y	-0,75	-0,9	-41	Silver	16,91	-1,0	22
	CAC40	4803,9	0,9	3,6	GER 10Y	0,35	-5,6	-28	EUR/USD	1,0625	-0,1	-2,2
	FTSE 100	6968,6	1,1	12	PT10Y	3,75	-7,8	121	EUR/GBP	0,8391	0,1	14
	FTSE MIB	18827,6	2,5	-12	IT 10Y	1,87	-13,5	28	EUR/NOK	8,9550	-0,2	-6,7
	Stoxx600	357,5	1,1	-2	SP 10	1,44	-6,7	-35	USD/CAD	1,3127	0,0	-5,1
	- Banks	137,6	1,5	-7	iTRAXX	70,8	-1,8	-8	AUD/USD	0,7498	0,0	3,1
	Nikkei 225	19253,6	0,0	1	JPY 2Y	-0,19	-1,6	-18	USD/JPY	115,16	0,1	-4
	SSEC	3140,5	-0,5	-11	JPY 10Y	0,06	-2,5	-21	GBP/USD	1,2656	-0,1	-14
Regional	RTS	1164,2	1,4	54	RUS10	8,47	-0,1	-13	USD/RUB	60,630	-0,6	-17
	WIG20	1919,5	2,0	3,2	POL 10	3,56	-2,3	21	EUR/PLN	4,4212	-0,6	3,8
	PX50	911,1	0,6	-4,7	CZ10	0,55	-4,4	-9	EUR/RON	4,5012	0,2	-0,4

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2016 12. 12.	20 : 00 US	Federal budget balance (USDbn)	Nov.	-137,0	-	-44,0
13.	3 : 00 CN	Industrial production (yoy, %)	Nov.	6,2	6,1	6,1
	3 : 00 CN	Retail sales (yoy, %)	Nov.	10,8	10,1	10,0
	3 : 00 CN	Infrastructural spending (yoy, %)	Nov.	8,3	8,3	8,3
	8 : 00 DE	CPI (final, yoy, %)	Nov.	0,8	0,8	0,8*
	10 : 30 UK	CPI (yoy, %)	Nov.	1,2	1,1	0,9
	11 : 00 DE	ZEW Economic Sentiment (points)	Dec.	13,8	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

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