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Summary

- Friday's trading was fairly optimistic in Europe, but US stock markets ended with losses.
- The USD declined but the HUF strengthened against the major currencies.
- Long-term yields dropped on developed markets and on Hungary's government bond market too.
- Brent crude price grew by nearly 2%.

Amid Friday's confident trading in Europe, the DAX and the CAC40 advanced 0.3%, while the FTSE 100 upped 0.2%. In Central and Eastern Europe, the WIG20 rose by 0.4%, and the BUX closed 0.8% higher.

Unlike in Europe, trading in America was rather unenthusiastic. The S&P500 nudged 0.2% down and the NASDAQ100 lost 0.4%.

A euro weakening led the EUR/USD below 1.04 at one point on Friday, before it rebounded to 1.044 – at the end of the day the EUR advanced 0.3% versus the greenback. The USD also booked slight losses versus the JPY and the GBP. The Brent surged 2% and the WTI soared 4% on Friday. A Bloomberg survey found that the ratio of net long positions has hit its highest since July 2014. The current market consensus is that the agreement between OPEC and non-OPEC countries will be lasting and the oversupply will quickly diminish next year, an analyst polled by Bloomberg said.

In Friday's trading long-term yields increased in the USA, but Germany's 2Y and 10Y bond yields sank a few basis points.

Asia ended a lacklustre trading session, with the Nikkei and the Hang Seng dipping slightly into the red in the morning. The weak performance of Asia's stock markets can be attributed to the JPY's firming and to the higher yields of Chinese government securities. The People's Bank of China said it would follow a neutral monetary policy, accompanied by expansive fiscal policy, in order to sustain growth. The PBoC is also planning to establish a market-mechanism-driven instrument with an aim to prevent the unjustified further increase in home prices. A research by Goldman Sachs concludes that capital flight from China is accelerating and the PBoC is increasingly selling its currency reserves. Its analysts expect the capital outflow and the CNY's weakening to continue in 2017, adding that they can even speed up if the USD's firming continues, and if China's economy continues to produce discouraging signals.

	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	2258,1	-0,2	10,5	VIX	11,8	-4,6	-33	WTI	52,95	3,5	42
	DOW	19843,4	0,0	14	US 2Y	1,13	-0,7	19	Brent	55,21	2,2	48
	Nasdaq100	4914,9	-0,4	7,0	US 10Y	2,46	1,9	32	Gold	1134,0	0,5	7
	DAX	11404,0	0,3	6,2	GER 2Y	-0,75	-1,4	-45	Silver	16,08	0,8	16
	CAC40	4833,3	0,3	4,2	GER 10Y	0,36	-4,4	-32	EUR/USD	1,0447	0,3	-3,8
	FT SE 100	7011,6	0,2	12	PT10Y	3,83	2,5	126	EUR/GBP	0,8371	-0,1	14
	FT SE MIB	19014,8	0,1	-11	IT 10Y	2,04	5,8	30	EUR/NOK	9,0622	0,5	-5,6
	Stoxx600	360,0	0,3	-2	SP 10	1,52	0,7	-35	USD/CAD	1,3331	0,0	-3,7
	- Banks	135,9	-0,4	-8	iTRAXX	72,7	-1,7	-7	AUD/USD	0,7304	-0,7	0,4
	Nikkei 225	19391,6	0,0	2	JPY 2Y	-0,18	-0,1	-17	USD/JPY	117,98	-0,2	-2
	SSEC	3118,1	-0,2	-12	JPY 10Y	0,06	0,0	-19	GBP/USD	1,2487	0,6	-15
Regional	RTS	1135,6	-0,2	50	RUS10	8,55	-0,5	-13	USD/RUB	62,043	0,6	-15
	WIG20	1918,5	0,4	3,2	POL 10	3,62	-1,4	18	EUR/PLN	4,4166	-0,2	3,7
	PX50	917,6	0,6	-4,1	CZ10	0,56	-3,0	-13	EUR/RON	4,5097	-0,2	-0,2

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2016 12. 19. 10 : 00	DE	IFO Economic sentiment index (points)	Dec.		110,7	110,4
14 : 00	PL	Retail sales (yoy, %)	Nov.		4,8	3,7
15 : 45	US	Markit Service PMI (points)	Dec.			54,6
20. 0 : 50	JP	Interest rate decision (%)	Dec.		-0,1	-0,1
9 : 00	HU	Gross wages (yoy, %)	Nov.		-	6,7
14 : 00	HU	Interest rate decision (%)	Dec.		0,9	0,9
21. 16 : 00	US	Existing home sales (mom, %)	Nov.		5570	5600
16 : 00	EZ	Consumer confidence (preliminary, points)	Dec.		-6,0	-6,1
22. 10 : 00	HU	MNB Quarterly Inflation Report	Dec.		-	-
13 : 00	CZ	Interest rate decision (%)	Dec.			0,05
14 : 30	US	Durable goods orders (mom, %)	Nov.		-3,5	4,6
14 : 30	US	GDP (third estimate, annualized, qoq, %)	Q3		3,3	3,2*
16 : 00	US	Personal income (mom, %)	Nov.		0,3	0,6
16 : 00	US	Personal income (adjusted, mom, %)	Nov.		0,4	0,3
23. 8 : 30	HU	Balance of payment (quarterly, EURbn)	Q3		-	1,77
9 : 00	HU	Current account (detailed, monthly, EURmn)	Oct.		-	891*
10 : 30	UK	GDP (detailed, yoy, %)	Q3		2,3	2,3*
10 : 30	UK	GDP (detailed, qoq, %)	Q3		0,5	0,5*
16 : 00	US	New home sales (annualized monthly, '000s)	Nov.		570	563

*Preliminary data

Source: Reuters, OTP Research

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