

# Global Daily Report



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## Summary

- Crude prices fell sharply yesterday.
- Today's meeting of the Fed is expected to raise interest rates by 25 basis points.

Western Europe's key indices ran out of the morning's impetus, and sank to negative territory. A sharper-than-expected fall in Germany's IFO economic sentiment index took the gauge to a 27-month low. This rhymes with the German economy's pale performance this year.

After Monday's hefty losses, Tuesday's trading kicked off with great expectations in America, but a slump in crude prices halted the rising indices. Brent slid 5.9%, to 56.1 USD/barrel, while the WTI nose-dived 6.5%, to trade at USD 46.7. This left its mark on energy-related companies' performance. The plunge stems from global growth fears and the growing US inventory data. In the corporate world, FedEx lowered its profit guidance, which caused massive loss to its share price in after-hours trading. The US 10Y yield sank three basis points, to 2.82%. The USD wiped off most of the morning's losses against the euro; the EUR/USD closed with negligible uptick.

The most important industrial metal prices inched down, while gold edged higher.

Italy and the European Union have reached an agreement about the country's 2019 budget, Reuters reported. Italy now proposes a deficit target of 2.04% of GDP, but that is still very far from the previous Italian government's 0.8% commitment.

The debate on the UN's migration pact led to the collapse of the Belgian government coalition; Prime Minister Charles Michel resigned.

The Scottish National Party said that the January date for the vote on the Brexit deal was late, and tabled a motion of no confidence in Theresa May.

Asia's key indices closed mixed this morning; only Hong Kong's Hang Seng could eke out small gain.

Today the Fed Open Market Committee will publish its latest economic forecast. Its rate decision is expected to raise the benchmark rate by 25 basis points, to 2.25-2.5%. Skipping the rate hike would be a bolt from the blue, even though Donald Trump urged the Fed not to make a mistake by continuing with rate hikes. Another factor that could set markets in motion would be the guidance for next year's interest rate trajectory – reference in the post-meeting communiqué to less than the previously projected three rate hikes may weaken that US dollar and help equity 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	2546,2	0,0	-4,8	VIX	25,6	4,3	132	WTI	46,6	-6,5	-22,8
	DOW	23675,6	0,4	-4,2	US 2Y	2,65	-4,8	76	Brent	56,26	-5,6	-15,9
	Nasdaq100	6491,5	0,7	1,5	US 10Y	2,82	-3,4	41	Gold	1249,3	0,3	-4,1
	DAX	10740,9	-0,3	-16,9	GER 2Y	-0,60	0,0	3	Silver	14,64	-0,1	-13,6
	CAC40	4754,1	-1,0	-10,5	GER 10Y	0,24	-1,3	-18	EUR/USD	1,1361	0,1	-5,3
	FTSE 100	6701,6	-1,1	-12,8	PT10Y	1,65	-1,8	-28	EUR/GBP	0,8984	-0,1	1,1
	FTSE MIB	18644,9	-0,3	-14,7	IT 10Y	2,94	-1,1	95	EUR/NOK	9,9201	1,1	0,7
	Stoxx600	340,5	-0,8	-12,5	SP 10	1,38	-2,3	-19	USD/CAD	1,3463	0,4	7,0
	- Banks	114,6	0,0	-30,6	iTRAXX	82,2	0,6	82,1	AUD/USD	0,7180	0,1	-8,0
	Nikkei 225	20991,5	-0,6	-7,8	JPY 2Y	-0,15	0,6	-1	USD/JPY	112,51	-0,3	-0,1
	SSEC	2549,6	-1,1	-22,9	JPY 10Y	0,04	0,9	-2	GBP/USD	1,2644	0,2	-6,4
Regional	RTS	1106,1	-0,7	-4,2	RUS10	8,8	0,5	16	USD/RUB	67,405	1,1	16,9
	WIG20	2315,18	1,5	-5,9	POL 10	2,9	-1,2	-12	EUR/PLN	4,28	0,0	2,6
	PX50	1026,6	-0,1	-4,8	CZ10	2,0	0,1	32	EUR/RON	4,642	-0,1	-0,8
Hungary	BUX	39476	-0,5	0,2	3M DKJ	0,07	0,0	3	EUR/HUF	322,03	-0,4	3,7
	OTP	11480	-1,5	7,1	1Y	0,42	0,0	37	USD/HUF	283,42	-0,5	9,5
	MOL	3058	-0,7	1,8	3Y	1,28	3,6	73	CHF/HUF	285,55	-0,5	7,8
	MTelekom	441	0,0	-3,7	5Y	2,78	1,0	161	PLN/HUF	75,16	-0,4	1,2
	Richter	5580	2,1	-17,7	10Y	3,34	2,7	130	GBP/HUF	358,39	-0,3	2,6

\* 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. 17.	8 : 00	TR Industrial production (SA, yoy, %)	Oct	-5,7	-4,0	-2,7
	11 : 00	EZ CPI (final, yoy, %)	Nov	1,9	2,0	2,0*
	14 : 30	US New York Fed Manufacturing index (points)	Dec	10,9	20,2	23,3
18.	10 : 00	DE IFO Economic sentiment index (points)	Dec	101,0	101,8	102,0
	14 : 00	HU Interest rate decision (%)	Dec	0,9	0,9	0,9
	14 : 00	US Building permits (annualized monthly, '000s)	Nov	1 328	1 259	1 265
19.	14 : 30	US Housing starts (annualized monthly, '000s)	Nov	1 256	1 225	1 228
	10 : 30	UK Inflation (yoy, %)	Nov		2,3	2,4
	10 : 30	UK Core inflation (yoy, %)	Nov		1,8	1,9
20.	16 : 00	US Existing home sales (mom, %)	Nov		5 200	5 220
	20 : 00	US Interest rate decision (%)	Dec		2,25-2,5	2,0-2,25
	20 : 00	US FOMC economic forecast	-		-	-
20.	5 : 00	JP Interest rate decision (%)	Dec		-0,1	-0,1
	8 : 30	HU Balance of payments (quarterly, EURm)	Q3		-	0,8
	9 : 00	HU Gross wages (yoy, %)	Oct		-	10,4
	10 : 30	UK Retail sales (mom, %)	Nov		0,3	-0,5
	13 : 00	UK Interest rate decision (%)	Dec			0,75
	14 : 00	CZ Interest rate decision (%)	Dec		1,75	1,75
	14 : 30	US Continuing jobless claims ('000s)	weekly		1 665	1 661
21.	14 : 30	US Initial jobless claims ('000s)	weekly		216	206
	16 : 00	US Leading index (mom, %)	Nov		0,0	0,1
	0 : 30	JP CPI (yoy, %)	Nov			1,4
	0 : 30	JP core-CPI (yoy, %)	Nov		1,0	1,0
	9 : 00	HU Trade balance (detailed, monthly, EUR mn)	Oct		-	293,0*
	14 : 30	US Durable goods orders (mom, %)	Nov		1,6	-4,3
	16 : 00	EZ Consumer confidence (point)	Dec		-4,3	-3,9
21.	16 : 00	US Personal income (mom, %)	Nov		0,3	0,5
	16 : 00	US Personal consumption (adjusted, mom, %)	Nov		0,3	0,6

\* preliminary data

Sources: Reuters, OTP Research

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