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Good Morning Treasury!

Markets, economy

The leading US stock indices closed Thursday with slight gains, the Nasdaq being the best performer (+0.3%), while the S&P 500 and the Dow both rose 0.1%. Yesterday's US economic data indicated a loss of momentum, and the market also bided its time ahead of today's PCE inflation data. Treasury yields fell as expectations that the Fed will start cutting rates later this year strengthened. European equities fell as investors cautioned ahead of the first round of French elections, with the Eurostoxx 600 index down 0.4%. However, the BUX index has significantly outperformed, with OTP and Mol both doing well (+1.9% and +1.6% respectively), while among blue chips, only Richter closed in the red (-1.4%). Stock markets are trying to rise this morning, but there is little movement and the market remains on hold.

EURUSD

The EURUSD continues to hover around 1.0700, with today's US inflation data likely to provide fresh impetus to the market, but regardless of the data, the dollar is likely to be supported by risk averse global sentiment. Next week we will see labor market data from the US and the results of the first round of the French elections, which will be the drivers for the fx market in the short term.

EURHUF, USDHUF

The forint was able to recover its morning weakness against the euro yesterday afternoon, and this morning an unexpected forint rally seems to be unfolding. The forint is trading around 395 against the euro and around 369 against the dollar. This morning also, KSH published domestic unemployment data, with the unemployment rate standing at 4.3% in May, which continues to point to a tight labour market and wage inflationary pressures.

Commodities

Crude oil futures rose just over 1% on Thursday on concerns over global crude supply disruptions as geopolitical pressure intensified in the Middle East and Europe. This was offset by a surprise rise in US crude oil and gasoline inventories.

Macro calendar

Today PCE inflation data is due from overseas. Last night's Trump vs Biden debate was declared a win for Trump, so bookmakers now think he has over 60% chance of taking back the White House.

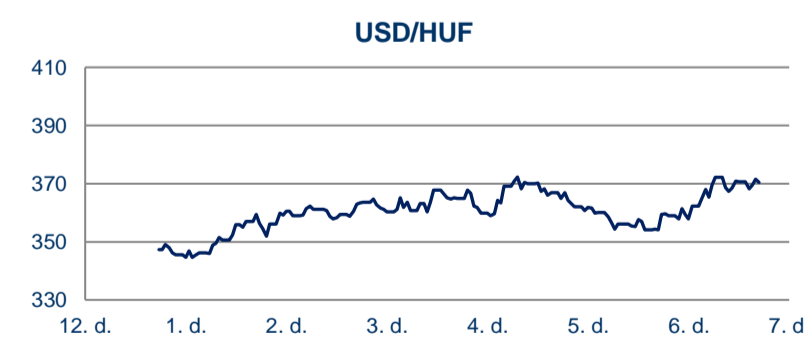
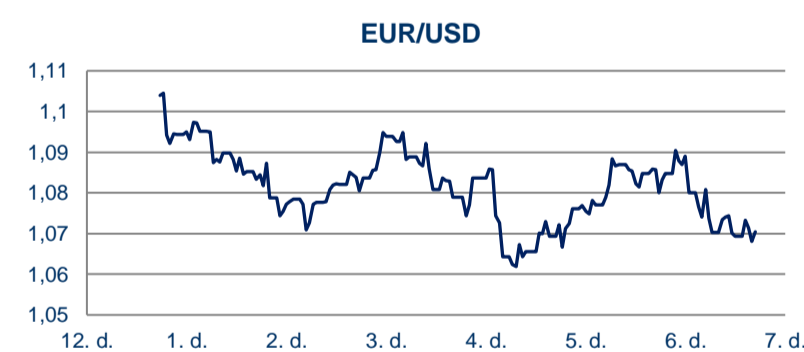
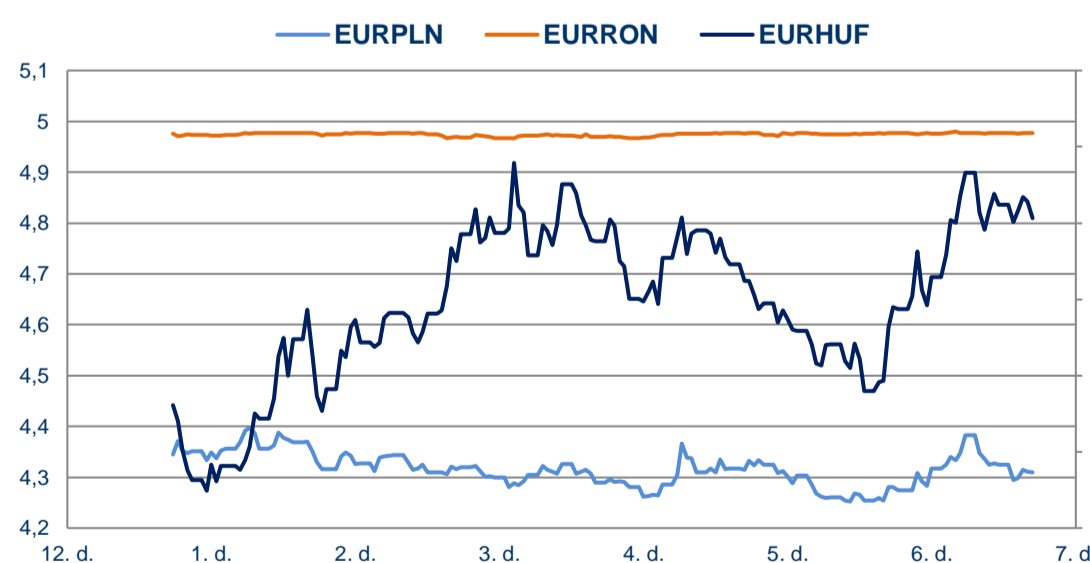
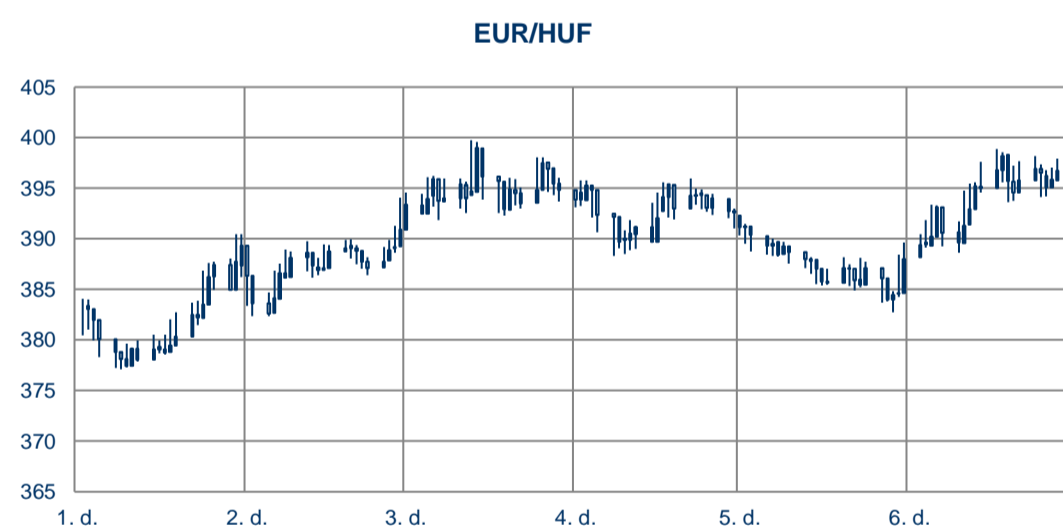
Spot FX rates			
9:46	Bid	Ask	Direction*
EURHUF	393,97	396,59	↓
USDHUF	368,26	370,70	↓
CHFHUF	409,52	412,19	↓
EURUSD	1,0666	1,0730	↓
EURCHF	0,9592	0,9650	↓
EURGBP	0,8433	0,8484	↓
GBPHUF	465,61	469,07	↓
PLNHUF	91,41	92,06	↓
RONHUF	79,11	79,71	↓
CZKHUF	15,72	15,83	↓
EURPLN	4,29	4,32	↓
EURCZK	24,98	25,14	↓
JPYHUF	228,89	230,39	↓
TRYHUF	11,17	11,24	↓

*The current mid rate based on yesterday's close price

Forward FX swap			
9:46	EUR/HUF	USD/HUF	CHF/HUF
1 week	23	11	6
1 month	105	44	202
2 months	209	84	405
3 months	299	116	583
6 months	583	203	1156
9 months	870	306	1697
1 year	1165	416	2243

Bloomberg forecast			
	EURHUF	USDHUF	EURUSD
Q2 24	390	366	1,0600
Q3 24	390	361	1,0800
Q4 24	386	360	1,0900
Q1 25	393	361	1,1000

K&H Bank forecast			
	EURHUF	USDHUF	EURUSD
2024.06.30	388	370	1,05
2024.07.31	390	370	1,05
2024.08.31	391	370	1,06
2024.09.30	393	371	1,06
2024.12.31	400	374	1,07
2025.03.31	402	372	1,08
2025.06.30	404	372	1,09
2025.09.30	406	372	1,09



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Base rates				
	current(%)	last decision	next decision	expected (%)
NBH	7,00	2024.06.18	2024.07.23	n.a.
ECB	4,25	2024.06.06	2024.07.18	n.a.
SNB	-0,75	2021.12.31	I/A Field Not Appical	n.a.
FED	5,50	2024.06.27	2024.07.31	5,50

Government bonds		
tenor	benchmark (%)	change (%)*
6 months	6,24	-0,32
3 years	6,65	0,15
10 years	6,81	1,04
15 years	6,80	0,74

Hungarian 5 year CDS price	
actual value:	80,51
last one year min:	74,80
last one year max:	94,26

* Based on opening and closing rates of yesterday

Interbank offered rates (%)					
	1 day	1 month	3 months	6 months	1 year
USD LIBOR	5,0616	5,4584	5,5962	5,6922	6,0414
CHF LIBOR	-0,7786	-0,7754	-0,7530	-0,7028	-0,5532
BUBOR	7,0000	7,0000	6,8900	6,8200	6,6700
EURIBOR		3,6640	3,6950	3,6780	3,5750
EUR LIBOR	-0,6496	-0,6194	-0,5806	-0,5560	-0,4857

Main international stock indices		
index	yesterday close	change (%)*
S&P 500	5 482,87	0,09
Dow Jones	39 164,06	0,09
CAC 40	7 530,72	-0,38
FTSE 100	8 179,68	0,43
Hang Seng	17 716,47	0,34
Nikkei 225	39 341,54	0,61

* Based on opening and closing rates of yesterday

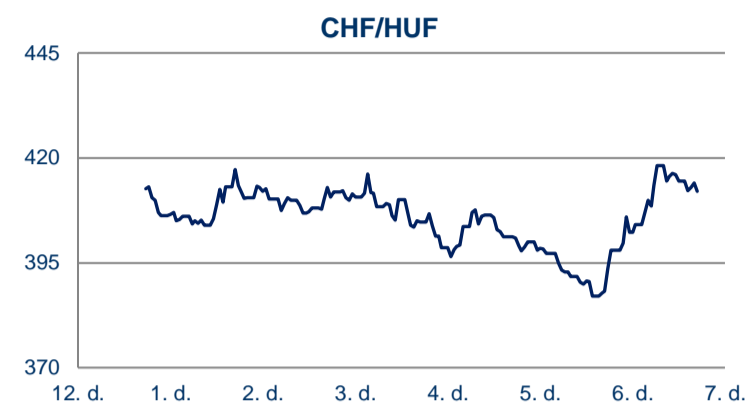
HUF IRS (swap market rates, %)									
1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
6,7700	6,4000	6,3200	6,3000	6,3000	6,3350	6,3650	6,4200	6,4650	6,5100

EUR IRS (swap market rates, %)									
1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
3,5287	3,1955	3,0139	2,9116	2,8537	2,8190	2,8015	2,7954	2,7958	2,8003

Main macro economical data of Hungary				
	last date	y/y	next date	forecast
GDP (%)	2023.12.31	-0,93	n.a.	n.a.
CPI (%)	2024.05.31	4,00	2024.07.09	n.a.
PPI (%)	2024.05.31	-0,22	2024.06.28	n.a.
industrial output (%)	2024.04.30	-2,40	2024.07.05	-1,9
rate of unemployment (%)	2024.05.31	4,40	2024.06.28	n.a.
trade balance (m EUR)	2024.04.30	1766,00	2024.07.01	1100,58
current account (EUR)	2024.03.31	1,32	n.a.	n.a.
retail sales (%)	2024.04.30	3,20	2024.07.05	3,9

Main macro economical data of the USA				
	last date	y/y	next date	forecast
GDP (%)	2024.03.31	2,90	2024.07.25	n.a.
CPI (%)	2024.05.31	3,30	2024.07.11	n.a.
PPI (%)	2024.05.31	2,40	2024.07.12	n.a.
industrial output (%)	2024.05.31	0,39	2024.07.17	n.a.
rate of unemployment (%)	2024.05.31	4,00	2024.07.05	4,00
trade balance (b USD)	2024.04.30	-74,558	2024.07.03	-72,2
current account (%)	2024.03.31	-3,23	n.a.	n.a.
retail sales (%)	2024.05.31	2,30	2024.07.16	n.a.

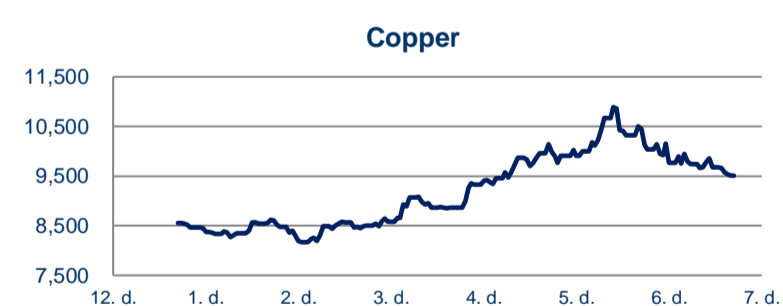
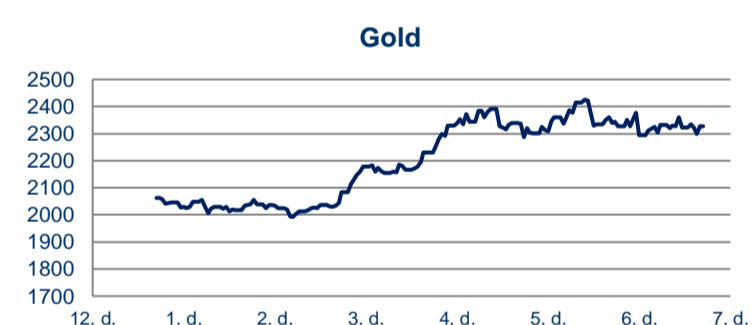
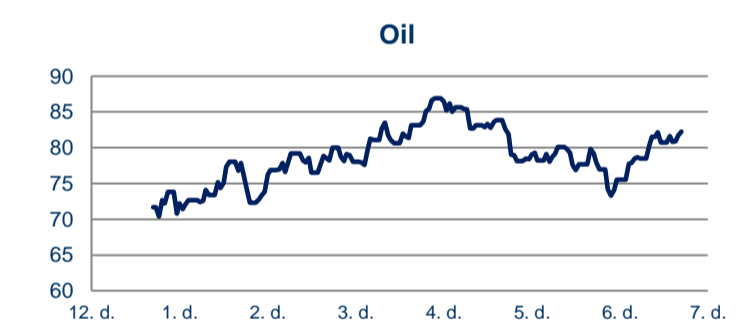
Main macro economical data of the Eurozone				
	last date	y/y	next date	forecast
GDP (%)	2024.03.31	0,40	2024.07.30	n.a.
CPI (%)	2024.05.31	2,60	2024.07.17	n.a.
PPI (%)	2024.04.30	-5,70	2024.07.03	-4,50
industrial output (%)	2024.04.30	-0,10	2024.07.15	n.a.
rate of unemployment (%)	2024.04.30	6,40	2024.07.02	6,50
trade balance (m EUR)	2024.04.30	15040,20	2024.07.16	n.a.
current account (%)	2024.12.31	31,90	2024.07.19	n.a.
retail sales (%)	2024.04.30	0,00	2024.07.05	0,6



Commodity			
	oil* (USD/barrel)	gold (USD/ounce)	copper** (USD/ton)
price	82,28	2 327,40	9 515,50
52 week high	85,27	2 450,07	11 104,50
52 week low	66,95	1 810,51	7 856,00

* WTI next expiry

** LME 3-mth forward



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