

Good Morning Treasury!

January 4, 2016



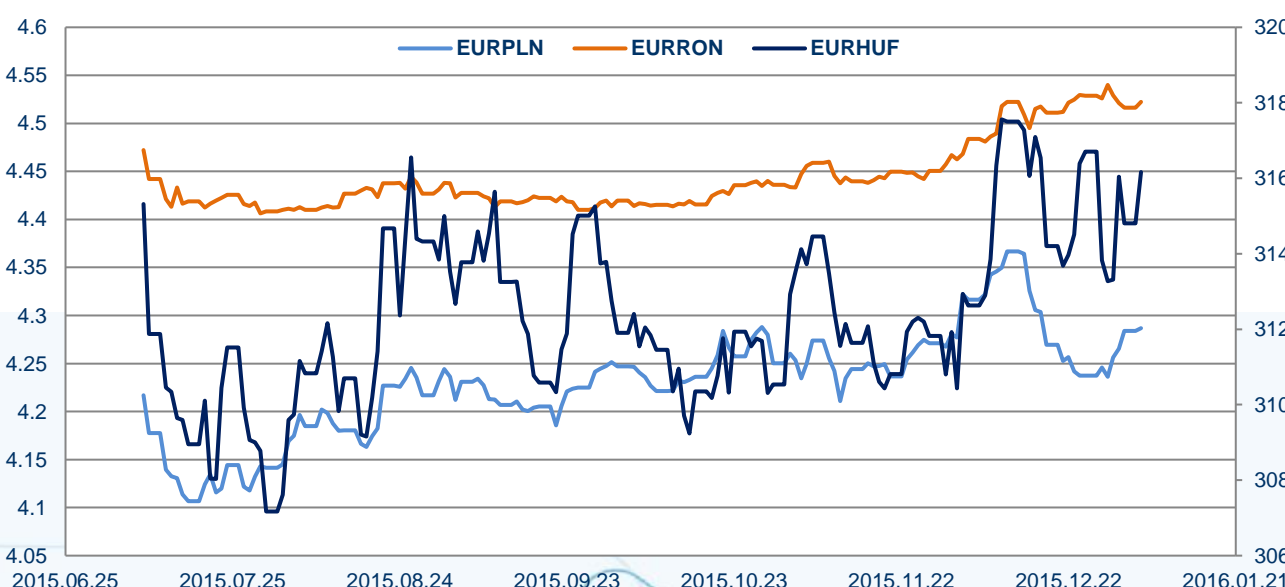
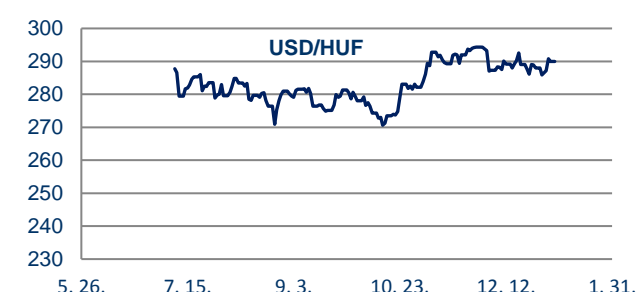
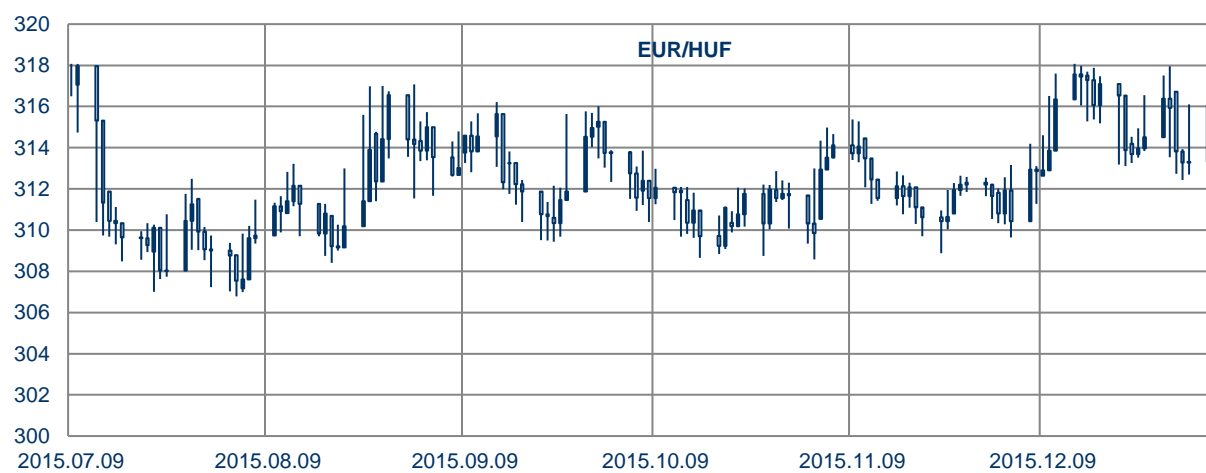
- ➔ **Both the European and US equities closed with losses on the last trading day of the year.** However, European main indexes finished the year with a fourth straight yearly advance which was supported by ECB's monetary easing and Chinese slowdown fears.
- ➔ **The Caixin China manufacturing purchasing manager index dropped to 48.2 in December** from 48.6 of the previous month. The data under 50 indicates contraction. The figure's decrease boosted again the concerns about Chinese economic slowdown for which Asian papers reacted by falling. Due to the massive drop of stocks **trading was halted in China.**
- ➔ **Saudi Arabia severed its diplomatic relations with Iran.** Due to that oil prices continued to increase, but prices begin to correct this morning. WTI dropped by 30.5% last year and over two years by 62.4%.
- ➔ HUF started to weaken suddenly against EUR in Thursday's trading so EUR/HUF jumped around 316. **HUF may remain under pressure because of the worsening investors' sentiment.**
- ➔ **During the week Fed is going to release its minutes** and important labour market data will come from overseas. In the Eurozone, inflation and manufacturing figures will be posted.

spot FX rates			
10:01	Bid	Ask	Direction*
EURHUF	314.81	316.96	↗
USDHUF	288.12	290.10	↗
CHF/HUF	289.64	291.69	↗
EURUSD	1.0893	1.0960	↗
EURCHF	1.0833	1.0900	↗
EURGBP	0.7376	0.7421	↘
GBPHUF	425.57	428.48	↗
PLNHUF	73.30	73.83	↗
RONHUF	69.65	70.12	↗
CZKHUF	11.6461	11.7325	↗
EURPLN	4.2810	4.3085	↗
EURCZK	26.94	27.11	↗
JPYHUF	242.1015	243.9597	↗
TRYHUF	97.73	98.42	↗

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

forward FX swap			
10:01	EUR/HUF	USD/HUF	CHF/HUF
1 week	14.86	-0.84	13.70
1 month	46.93	21.00	62.55
2 months	79.69	31.00	105.63
3 months	118.01	35.00	150.12
6 months	256.48	57.50	309.97
9 months	366.37	67.50	475.51
1 year	490.67	75.00	655.22

bloomberg forecast			
	EURHUF	USDHUF	EURUSD
Q4 15	312.00	295.00	1.06
Q1 16	312.00	296.00	1.05
Q2 16	312.00	303.00	1.04
Q3 16	314.00	302.50	1.05



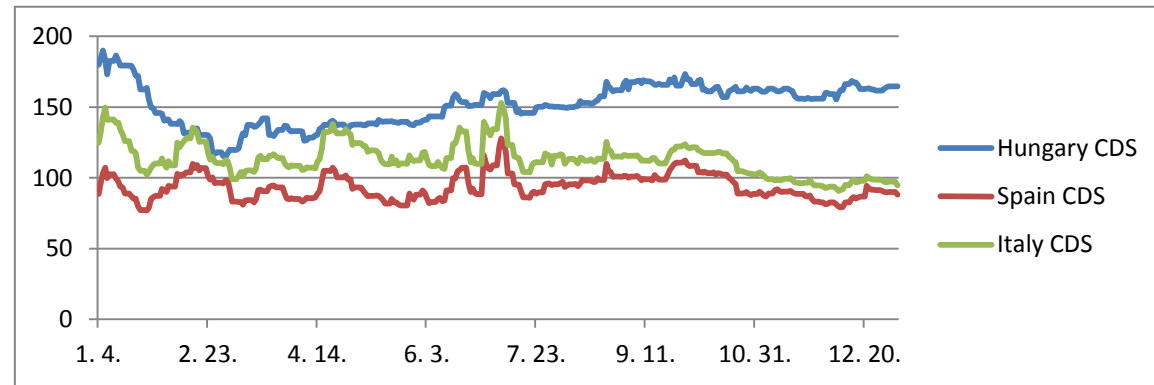
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a KBC csoport tagja

base rates				
	current(%)	last decision	next decision	expected (%)
NBH	1.35	2015.12.15	2016.01.26	n.a.
ECB	0.05	2015.12.03	2016.01.21	n.a.
SNB	-0.75	2016.01.01	Field Not Applied	n.a.
FED	0.50	2016.01.01	2016.01.27	0.50



government bonds		
tenor	benchmark (%)	change (%)*
6 months	0.87	2.35
3 years	2.11	0.00
10 years	3.33	0.30
15 years	3.88	-0.26

* Based on opening and closing rates of yesterday

Hungarian 5 year CDS price	
actual value:	164.57
last one year min:	114.69
last one year max:	190.10

interbank offered rates (%)					
	1 day	1 month	3 months	6 months	1 year
USD LIBOR	0.2745	0.4295	0.6127	0.8462	1.1780
CHF LIBOR	- 0.7830	- 0.7980	- 0.7560	- 0.6896	- 0.5916
BUBOR	0.43	1.35	1.35	1.35	1.35
EURIBOR	-	- 0.2050	- 0.1310	- 0.0400	0.0600
EUR LIBOR	- 0.2814	- 0.2043	- 0.1279	- 0.0386	0.0593
EONIA	value date:	2015.12.31	value:	-0.127	

main international stock indices		
index	yesterday close	change (%)*
S&P 500	2 043.94	-0.94
Dow Jones	17 425.03	-1.02
CAC 40	4 637.06	-0.86
FTSE 100	6 242.32	-0.51
Hang Seng	21 914.40	-2.61
Nikkei 225	19 033.71	-3.06

* 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
1.3400	1.4450	1.5900	1.7750	1.9950	2.2250	2.4400	2.6200	2.7650	2.8750

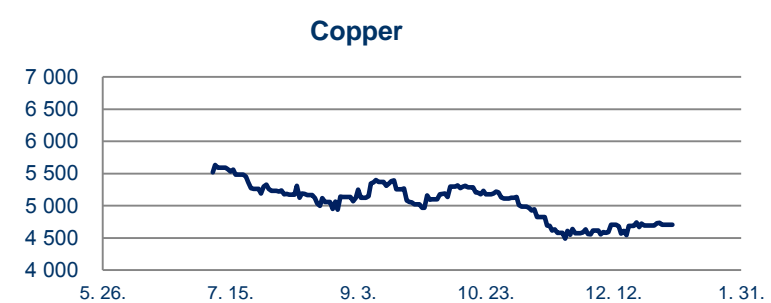
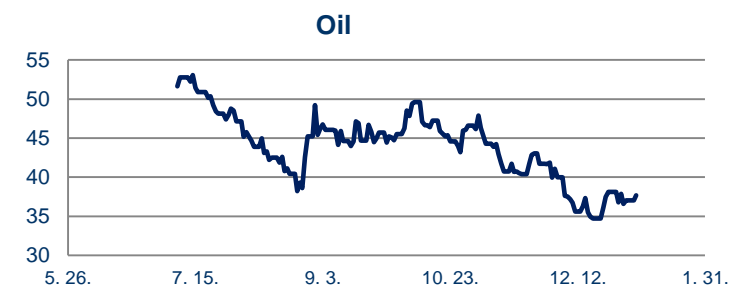
EUR IRS (swap market rates, %)									
1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
- 0.0610	- 0.0380	0.0539	0.1883	0.3310	0.4593	0.6031	0.7401	0.8689	0.9839

main macro economical data of Hungary				
	last date	y/y	next date	forecast
GDP (%)	2014.12.31	3.63	n.a.	n.a.
CPI (%)	2015.11.30	0.50	2016.01.14	n.a.
PPI (%)	2015.10.31	-1.30	2016.01.06	n.a.
industrial output (%)	2015.10.31	12.70	2016.01.08	n.a.
rate of unemployment (%)	2015.10.31	6.40	2016.01.05	6.3
trade balance (m EUR)	2015.10.31	605.00	2016.01.08	n.a.
current account (EUR)	2015.09.30	6.20	n.a.	n.a.
retail sales (%)	2015.11.30	112.40	n.a.	n.a.

commodity			
	oil* (USD/barrel)	gold (USD/ounce)	copper** (USD/ton)
price	37.67	1 069.64	4 705.00
52 week high	65.61	1 307.98	6 481.00
52 week low	35.35	1 046.43	4 443.50

* WTI next expiry

** LME 3-mth forward



main macro economical data of the USA				
	last date	y/y	next date	forecast
GDP (%)	2015.09.30	2.10	2016.01.29	n.a.
CPI (%)	2015.11.30	0.50	2016.01.20	n.a.
PPI (%)	2015.11.30	-3.20	2016.01.15	n.a.
industrial output (%)	2015.11.30	-1.17	n.a.	n.a.
rate of unemployment (%)	2015.11.30	5.00	2016.01.08	5.00
trade balance (b USD)	2015.10.31	-43.891	2016.01.06	-44
current account (%)	2015.09.30	-2.53	n.a.	n.a.
retail sales (%)	2015.11.30	1.40	2016.01.15	n.a.

main macro economical data of the Eurozone				
	last date	y/y	next date	forecast
GDP (%)	2015.09.30	1.60	2016.02.12	n.a.
CPI (%)	2015.11.30	0.20	2016.01.21	n.a.
PPI (%)	2015.10.31	-3.10	2016.01.06	-3.15
industrial output (%)	2015.10.31	0.60	2016.01.13	n.a.
rate of unemployment (%)	2015.10.31	10.70	2016.01.07	10.70
trade balance (m EUR)	2015.10.31	24115.70	2016.01.15	n.a.
current account (%)	2015.10.31	20.36	2016.01.19	n.a.
retail sales (%)	2015.10.31	2.50	2016.01.07	2

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