

# Good Morning Treasury!

January 7, 2016



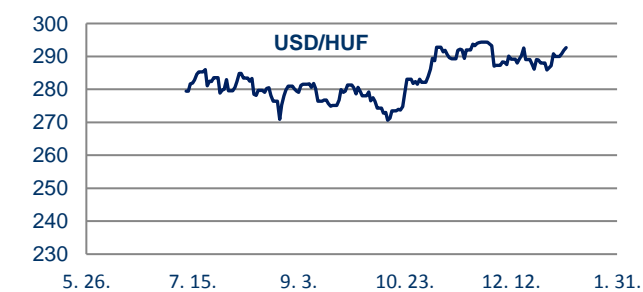
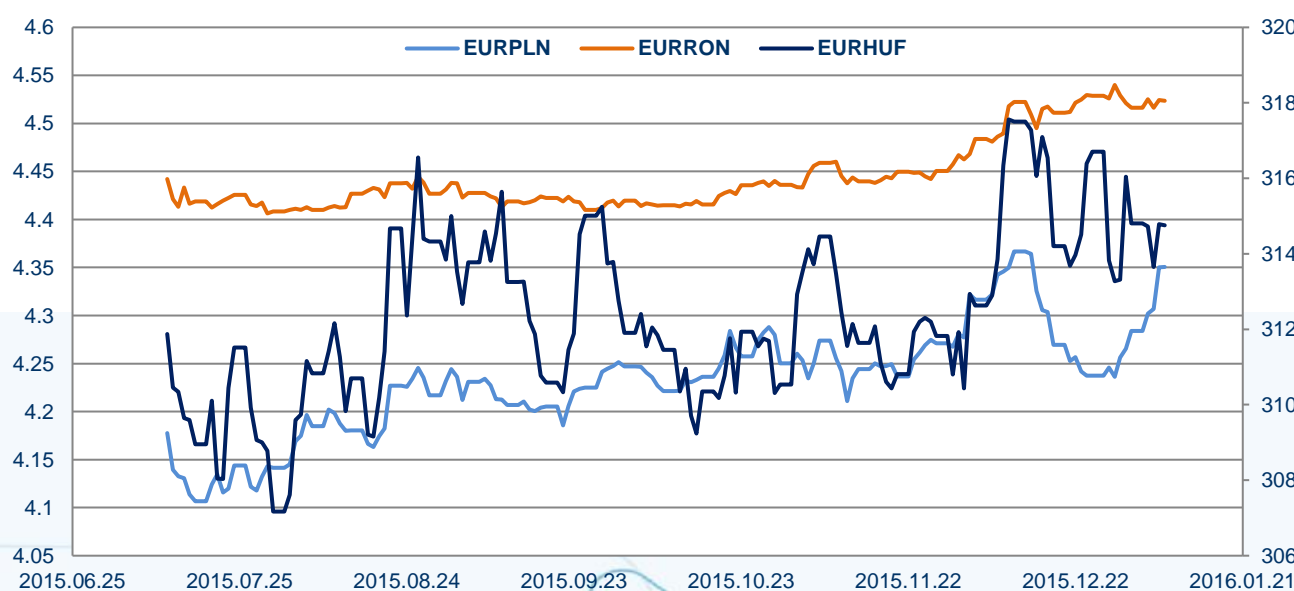
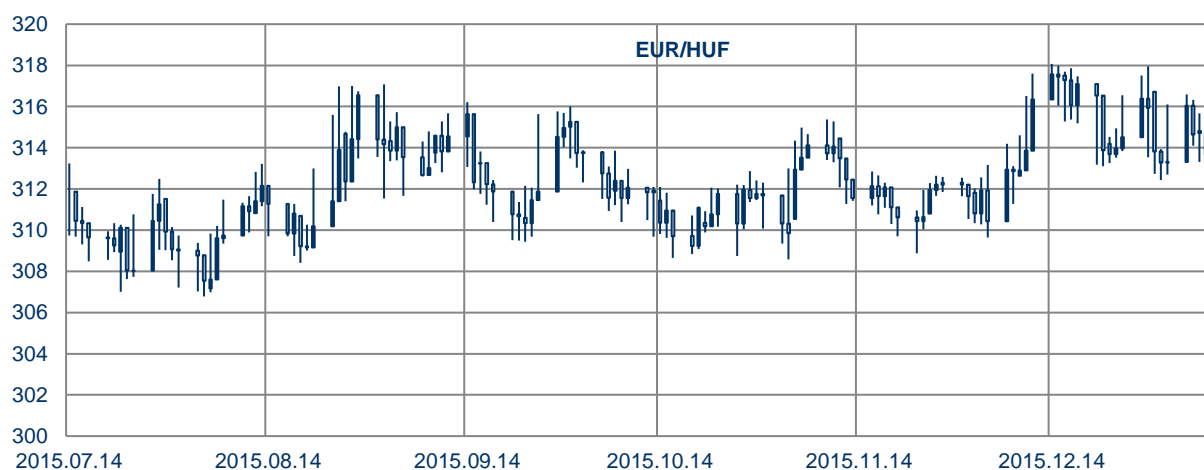
- **The pessimistic mood was dominating further on global equities.** Because of the geopolitical fears, worries about Chinese slowdown and decreasing oil prices the sell-off was continued on markets. More than 1% drop was seen on European and US stocks. Chinese stocks declined more than 7% overnight therefore their trading halted for a second times this week. After that Asian papers fell also.
- Fed raised its benchmark rate by 25 bps to 0.5% on its last rate session in December. The central bankers explained their decision with improving labour market tendency and they think that inflation would be able to return toward 2% inflation target. **Fed minutes revealed that** despite the policy makers voted unanimously **several members expressed their concerns about downside risks of inflation outlook.**
- While according to market expectations the US central bank would raise the base rate twice this year the Fed Vice Chairman Stanley Fischer would count with four times which is based on Fed's own forecast. But he added that policy is not an automatic pilot because they do not know enough now to know how many rate hikes there will be this year.
- Oil prices slid further on Wednesday and continued to fall this morning. China's markets' turmoil pushed WTI to the lowest level in 12 years. (Brent and WTI traded around 32.9 and 32.6 USD/barrel in the morning.)
- According to ADP labour market report the US employment increased more than expected. 257 thousands new jobs were created in December but analysts anticipated 198 thousands growth.
- Today, the eco calendar contains EMU unemployment rate, retail sales and US jobless claims.

spot FX rates			
10:04	Bid	Ask	Direction*
EURHUF	314.36	316.49	↗
USDHUF	290.74	292.70	↘
CHF/HUF	289.28	291.27	↗
EURUSD	1.0780	1.0845	↗
EURCHF	1.0834	1.0901	↘
EURGBP	0.7396	0.7441	↘
GBP/HUF	423.77	426.62	↗
PLN/HUF	72.30	72.82	↗
RON/HUF	69.44	69.89	↗
CZK/HUF	11.6274	11.7122	↗
EURPLN	4.3318	4.3592	↗
EURCZK	26.94	27.11	↗
JPY/HUF	247.2660	249.3458	↗
TRY/HUF	96.07	96.76	↘

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

forward FX swap			
10:04	EUR/HUF	USD/HUF	CHF/HUF
1 week	13.75	6.51	13.70
1 month	51.29	23.25	63.26
2 months	88.03	37.00	109.09
3 months	126.62	48.00	163.24
6 months	244.90	70.00	320.75
9 months	362.22	71.17	477.97
1 year	489.20	74.72	648.64

bloomberg forecast			
	EUR/HUF	USD/HUF	EUR/USD
Q1 16	312.00	296.00	1.05
Q2 16	312.00	303.00	1.05
Q3 16	314.00	302.50	1.05
Q4 16	312.00	301.00	1.06



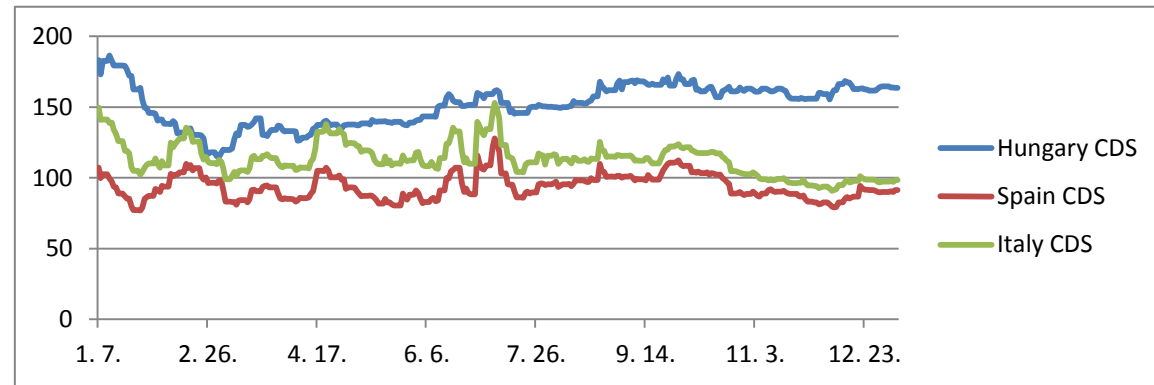
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base rates				
	current(%)	last decision	next decision	expected (%)
NBH	1.35	2015.12.15	2016.01.26	n.a.
ECB	0.05	2015.12.03	2016.01.21	n.a.
SNB	-0.75	2016.01.01	Field Not Applied	n.a.
FED	0.50	2016.01.01	2016.01.27	0.50



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:	165.88
last one year min:	114.69
last one year max:	186.44

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	1.93	1.36	1.35	1.35	1.35
EURIBOR	-	- 0.2100	- 0.1320	- 0.0410	0.0580
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	-2.97
FTSE 100	6 242.32	-2.60
Hang Seng	21 914.40	-2.68
Nikkei 225	19 033.71	-3.06

\* Based on opening and closing rates of yesterday

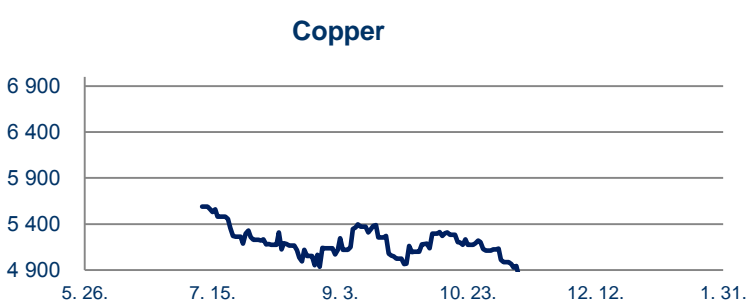
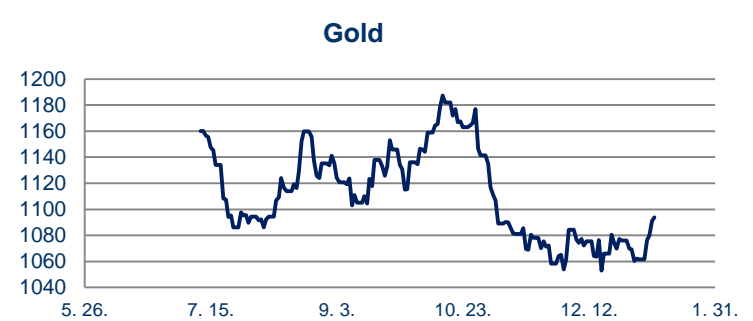
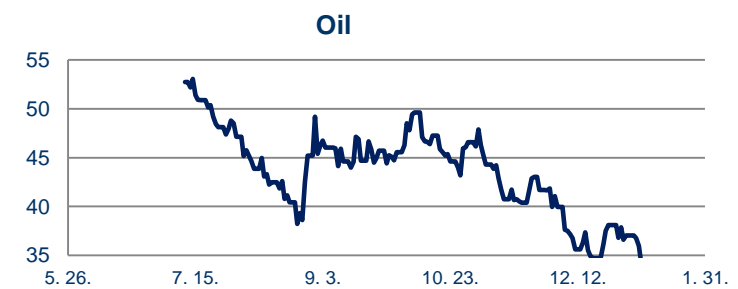
HUF IRS (swap market rates, %)									
1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
1.3350	1.4325	1.5775	1.7600	1.9800	2.2000	2.3975	2.5650	2.7100	2.8300
EUR IRS (swap market rates, %)									
1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
- 0.0640	- 0.0438	0.0420	0.1618	0.2923	0.4288	0.5657	0.6963	0.8193	0.9305

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	37.25	1 072.22	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	-3.20
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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