


[www.kh.hu](http://www.kh.hu)


2021.02.18

## Good Morning Treasury!

### Markets, economy

Major US stock market indices declined earlier this week due to the rise of bond yields and the growing of inflation fears. The Dow Jones index managed to make a slight comeback with a 0,29% rise after the few days of weakening on Wednesday, however the S&P500 and the Nasdaq continued recent trends with a stagnation and a 0,6% fall in prices. The main reason behind the developments of the prices is the technology sector's relative weak performance.

### EURUSD

The strengthening of the dollar due to rising US bond yields persisted on Wednesday, and even other factors help the greenback: the Fed has sent optimistic messages about the economic recovery, while tighter closures due to the virus may again be a problem in Europe. The adoption of the fundamentally dollar-weakening U.S. fiscal package has once again run into obstacles, and it is also possible that the size of the package will eventually be smaller. Furthermore, retail data overseas also became much more favorable, with an increase of 5.3 percent in this area in January instead of the previously forecast 1.1 percent. The EUR/USD thus finally settled at 1.2040 at the end of the day after starting around 1.2100, and the cross is currently quoted around 1.2050.

### EURHUF, USDHUF

There is still no significant change in the quotation of the Hungarian currency against the euro, the EUR/HUF exchange rate fluctuated between 358.50 and 359.50 yesterday. After strengthening on Wednesday afternoon, the forint started to weaken again against the euro on Thursday morning, with the 359 level currently being tested by the currency pair. It is not yet clear what could move the quote out of the 355-360 range, and next week's interest rate decision is also expected to be uneventful. USD/HUF quotes are slightly below 298.

### Commodity

Oil prices gained more than \$1 a barrel on Wednesday, as frigid Texas temperatures shut production across the largest U.S. crude producing state, with the unusually cold weather expected to hamper output for days or even weeks. Brent crude settled at \$64.34 a barrel, gaining 99 cents, or 1.6%, while U.S. West Texas Intermediate (WTI) crude settled at \$61.14 a barrel, rising \$1.09, or 1.8%. Both benchmarks were at their highest levels since January last year.

### Macro calendar

Today Initial Jobless Claims data will come from the USA.

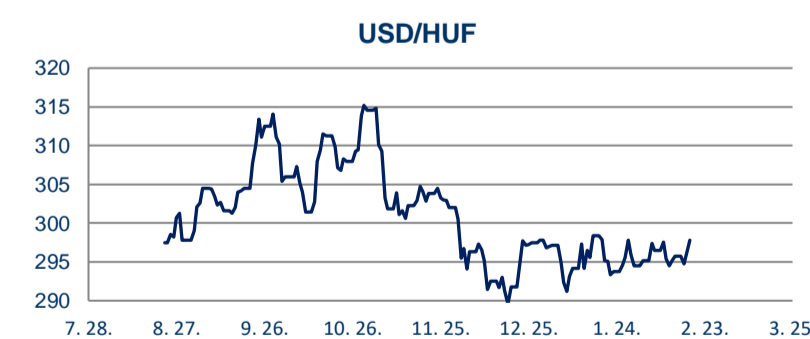
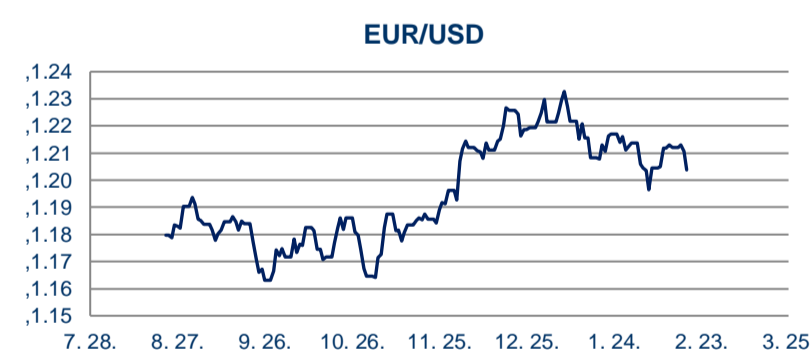
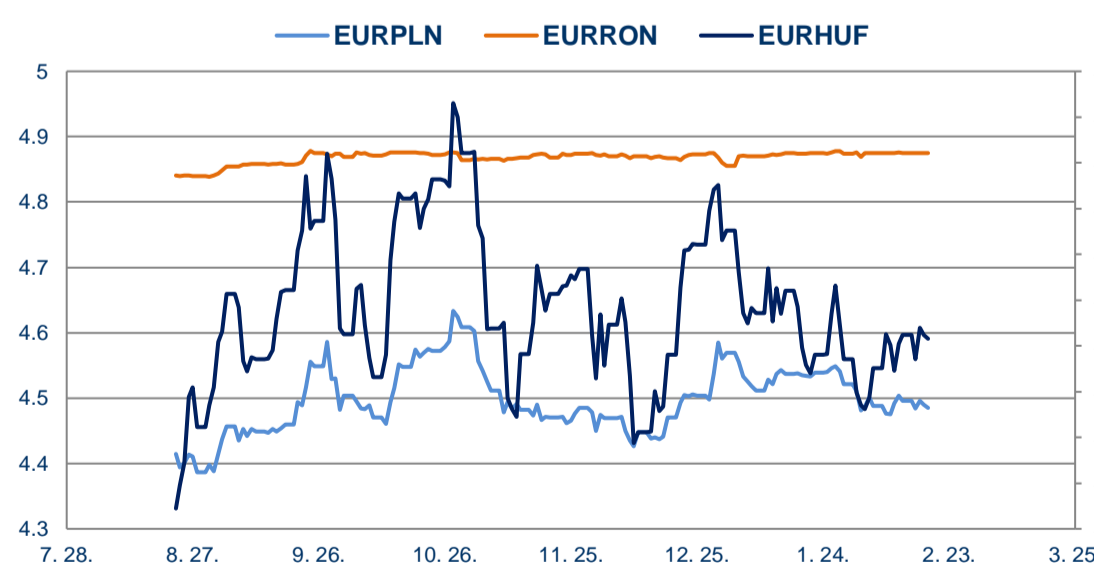
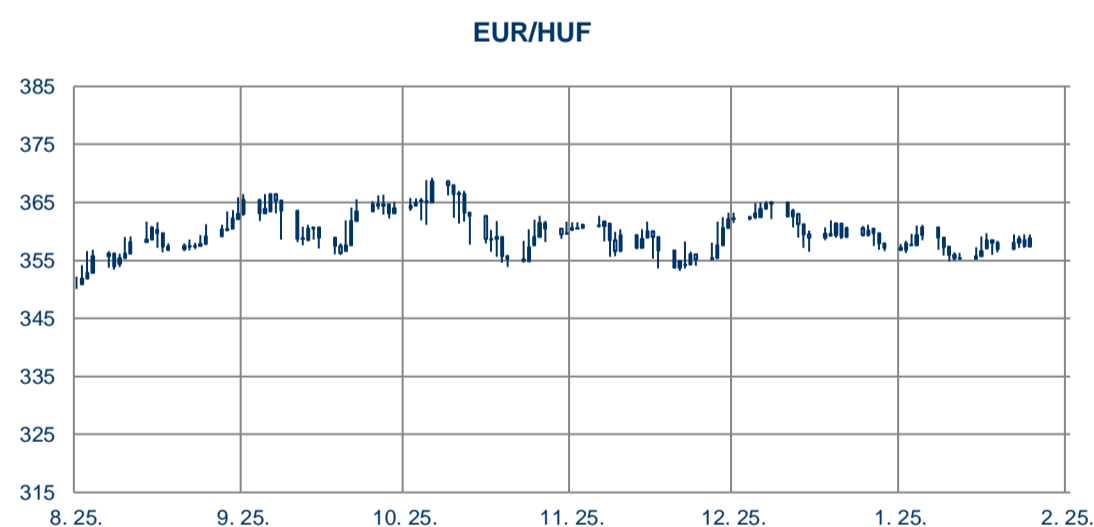
Spot FX rates			
10:07	Bid	Ask	Direction*
EURHUF	357.07	359.42	↓
USDHUF	295.94	297.89	↓
CHF/HUF	329.89	332.09	↓
EURUSD	1.2029	1.2102	↑
EURCHF	1.0791	1.0856	↑
EURGBP	0.8645	0.8698	↓
GBPHUF	411.65	414.55	↓
PLNHUF	79.60	80.15	↓
RONHUF	73.23	73.77	↑
CZKHUF	13.8467	13.9444	↓
EURPLN	4.4713	4.4996	↓
EURCZK	25.70	25.87	↓
JPYHUF	279.8478	281.8129	↑
TRYHUF	42.46	42.78	↓

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

Forward FX swap			
10:07	EUR/HUF	USD/HUF	CHF/HUF
1 week	8.47	3.13	5.75
1 month	35.27	12.50	38.17
2 months	69.00	20.08	75.59
3 months	112.00	34.80	121.34
6 months	238.11	82.66	254.14
9 months	367.66	133.87	396.35
1 year	491.50	163.16	527.13

Bloomberg forecast			
	EURHUF	USDHUF	EURUSD
Q1 21	359	296	1.2100
Q2 21	356	292	1.2300
Q3 21	355	287	1.2400
Q4 21	353	283	1.2400

K&H Bank forecast			
	EURHUF	USDHUF	EURUSD
2021.02.28	356	292	1.22
2021.03.31	354	290	1.22
2021.04.30	353	288	1.22
2021.05.31	351	286	1.23
2021.06.30	350	285	1.23
2021.07.31	352	285	1.23
2021.09.30	355	286	1.24
2021.12.31	360	288	1.25
2022.03.31	362	288	1.26



This document is published for information purposes only and does not represent a solicitation to deal in the instruments described. While the information given is believed to be reliable, K&H Bank cannot guarantee its accuracy or completeness, and accepts no responsibility whatsoever (including but not limited any loss, cost, litigation costs, indirect or special loss suffered by any company or other person) resulting from any company or other person trading on its basis. K&H Bank may have positions in or options on the securities mentioned herein which may change at any time. Opinions expressed are given in good faith, but are subject to change without notice. Should you have any questions concerning the content of this newsletter, please do not hesitate to contact Szonja Bartha (Szonja.Bartha@kh.hu), Szabasztián Kovács (Szabasztián.Kovacs@kh.hu) or Péter Miklós Tóth (Peter.Miklos.Toth@kh.hu)

Base rates				
	current(%)	last decision	next decision	expected (%)
NBH	0.60	2021.01.26	2021.02.23	n.a.
ECB	0.00	2021.01.21	2021.03.11	n.a.
SNB	-0.75	2021.02.17	I/A Field Not Appical	n.a.
FED	0.25	2021.02.17	2021.03.17	0.25

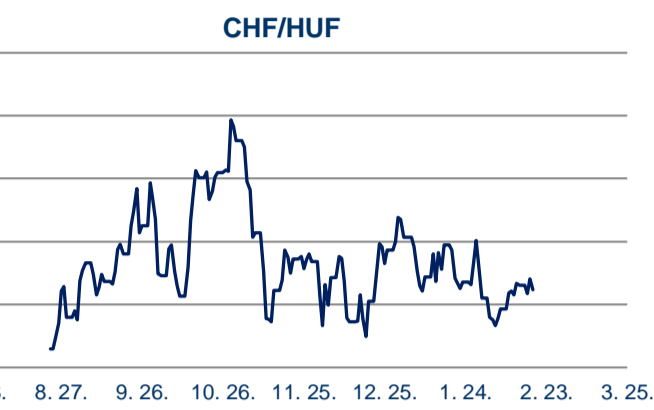
Government bonds		
tenor	benchmark (%)	change (%)*
6 months	0.45	4.65
3 years	1.22	4.27
10 years	2.36	-0.42
15 years	2.90	0.69

\* Based on opening and closing rates of yesterday

Hungarian 5 year CDS price	
actual value:	80.51
last one year min:	74.80
last one year max:	94.26

EONIA	
value date:	2021.02.17
value:	-0.478

Interbank offered rates (%)					
	1 day	1 month	3 months	6 months	1 year
USD LIBOR	0.0815	0.1083	0.1886	0.2026	0.3026
CHF LIBOR	-0.7912	-0.8010	-0.7528	-0.7080	-0.6014
BUBOR	0.8400	0.7600	0.7600	0.7900	0.8200
EURIBOR		-0.5520	-0.5450	-0.5210	-0.4980
EUR LIBOR	-0.5841	-0.5763	-0.5471	-0.5351	-0.4953



Main international stock indices		
index	yesterday close	change (%)*
S&P 500	3 931.33	-0.03
Dow Jones	31 613.02	0.29
CAC 40	5 765.84	0.16
FTSE 100	6 710.90	0.02
Hang Seng	31 084.94	-1.58
Nikkei 225	30 292.19	-0.19

\* 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
0.9750	1.2300	1.4125	1.5625	1.6950	1.8125	1.9125	2.0050	2.0988	2.2025

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
-0.5185	-0.5070	-0.4753	-0.4250	-0.3645	-0.2993	-0.2327	-0.1670	-0.1008	-0.0373

Main macro economical data of Hungary				
	last date	y/y	next date	forecast
GDP (%)	2020.12.31	-4.93	n.a.	n.a.
CPI (%)	2021.01.31	2.70	2021.03.09	n.a.
PPI (%)	2020.12.31	6.80	2021.03.02	n.a.
industrial output (%)	2020.12.31	1.12	2021.03.05	n.a.
rate of unemployment (%)	2020.12.31	4.20	2021.02.26	n.a.
trade balance (m EUR)	2020.12.31	309.90	2021.03.04	n.a.
current account (EUR)	2020.09.30	-0.18	n.a.	n.a.
retail sales (%)	2020.12.31	-4.00	2021.03.04	n.a.

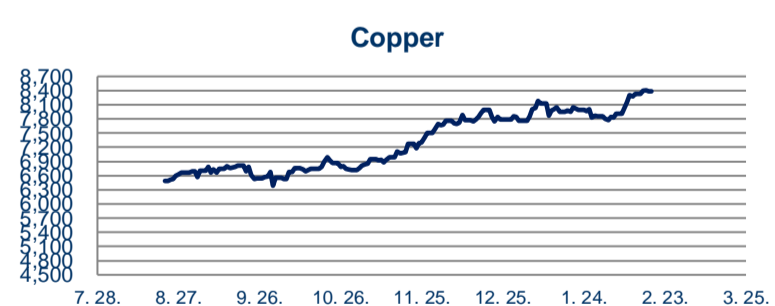
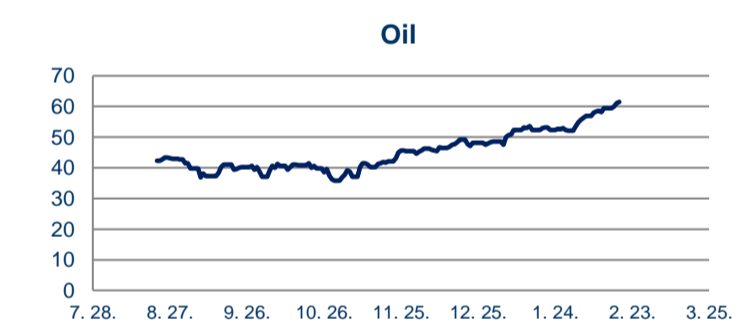
Main macro economical data of the USA				
	last date	y/y	next date	forecast
GDP (%)	2020.12.31	-2.50	2021.02.25	n.a.
CPI (%)	2021.01.31	1.40	2021.03.10	n.a.
PPI (%)	2021.01.31	0.40	2021.03.12	n.a.
industrial output (%)	2021.01.31	-1.83	2021.03.16	n.a.
rate of unemployment (%)	2021.01.31	6.30	2021.03.05	n.a.
trade balance (b USD)	2020.12.31	-66.613	2021.03.05	n.a.
current account (%)	2020.09.30	-2.59	n.a.	n.a.
retail sales (%)	2021.01.31	7.40	2021.03.16	n.a.

Main macro economical data of the Eurozone				
	last date	y/y	next date	forecast
GDP (%)	2020.12.31	-5.00	2021.03.09	n.a.
CPI (%)	2021.01.31	0.90	2021.02.23	n.a.
PPI (%)	2020.12.31	-1.10	2021.03.03	n.a.
industrial output (%)	2020.12.31	-1.60	2021.03.12	n.a.
rate of unemployment (%)	2020.12.31	8.30	2021.03.04	n.a.
trade balance (m EUR)	2020.12.31	29221.50	2021.03.18	n.a.
current account (%)	2020.11.30	24.58	2021.02.19	n.a.
retail sales (%)	2020.12.31	0.60	2021.03.04	n.a.

Commodity			
	oil* (USD/barrel)	gold (USD/ounce)	copper** (USD/ton)
price	61.48	1 788.03	8 390.00
52 week high	62.26	2 075.47	8 437.00
52 week low	27.66	1 451.55	4 371.00

\* WTI next expiry

\*\* LME 3-mth forward



This document is published for information purposes only and does not represent a solicitation to deal in the instruments described. While the information given is believed to be reliable, K&H Bank cannot guarantee its accuracy or completeness, and accepts no responsibility whatsoever (including but not limited any loss, cost, litigation costs, indirect or special loss suffered by any company or other person) resulting from any company or other person trading on its basis. K&H Bank may have positions in or options on the securities mentioned herein which may change at any time. Opinions expressed are given in good faith, but are subject to change without notice. Should you have any questions concerning the content of this newsletter, please do not hesitate to contact Szonja Bartha (Szonja.Bartha@kh.hu), Szabasi Kovacs (Szabasi.Kovacs@kh.hu) or Peter Miklos Toth (Peter.Miklos.Toth@kh.hu)