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2024.01.02

Good Morning Treasury!

Markets, economy

US equities fell modestly on the last trading day of 2023, but ended the year with a strong rally as investors expect a cycle of monetary easing in the year ahead. The equity market saw a remarkable upward momentum in the final months of the year, with all three major indices posting monthly, quarterly and annual gains. All three indices posted double-digit gains for the year.

EURUSD

The dollar has started the new year with a weakening and this trend could continue in the first half of 2024 as the Fed is expected to start cutting interest rates this year. EUR/USD was trading at 1.1024 at 9am this morning.

EURHUF, USDHUF

The forint has also started the year in an upbeat form, with the euro currently trading at 382.30 and the dollar at 346.85.

Commodities

Brent crude oil rose by \$1.28, or 1.7%, to \$78.32 a barrel this morning, while US West Texas Intermediate crude stood at \$72.69 a barrel. According to a Reuters poll of economists and analysts, Brent crude will average \$82.56 a barrel this year, slightly higher than the 2023 average of \$82.17, as weak global growth is expected to restrain demand, although geopolitical tensions could have an unpredictable impact on prices.

Macro calendar

The first trading week of this year is already seeing some important macro data. Among others, we will get inflation data for the euro area and US employment figures.

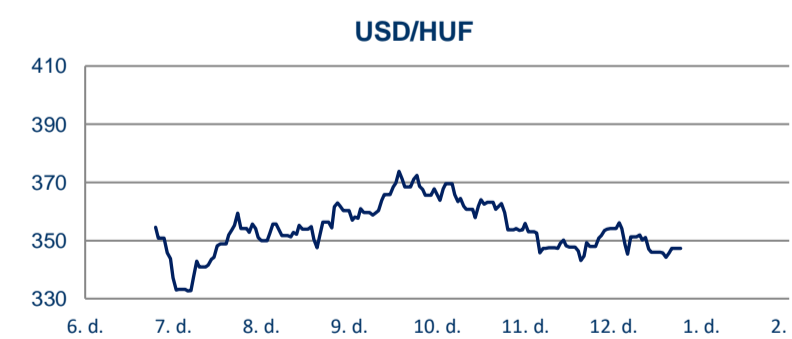
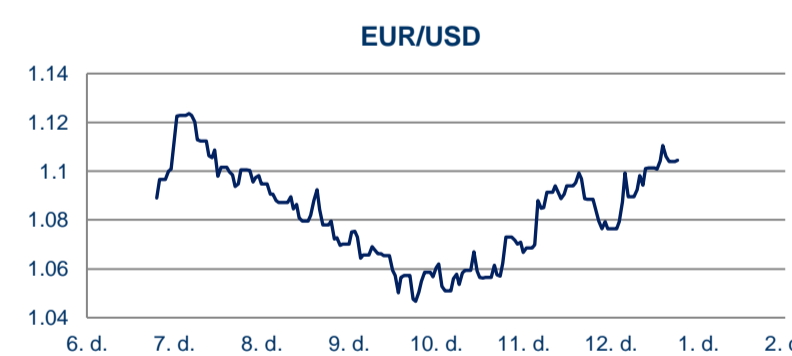
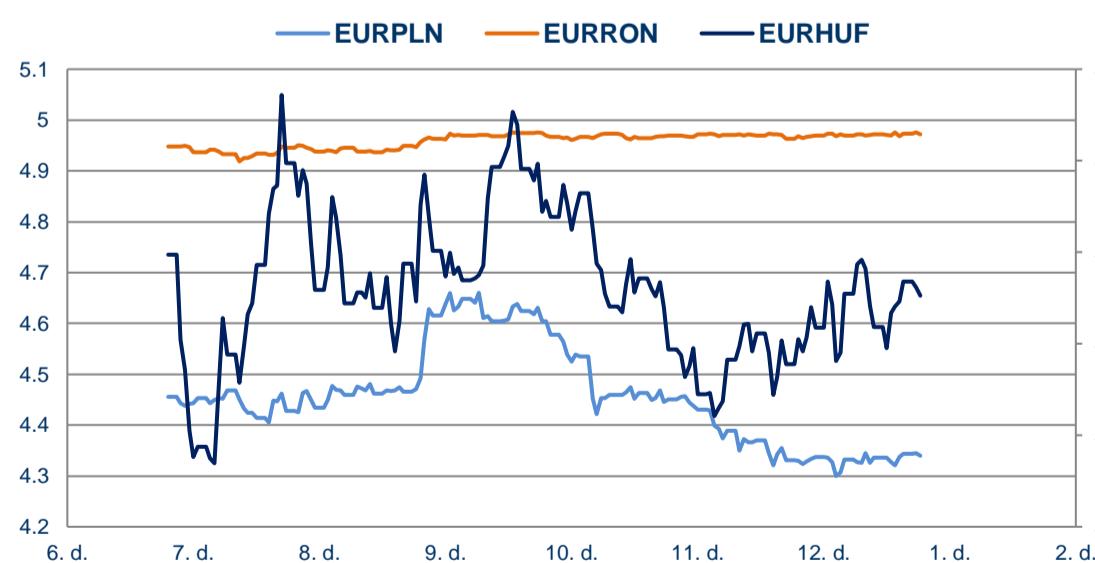
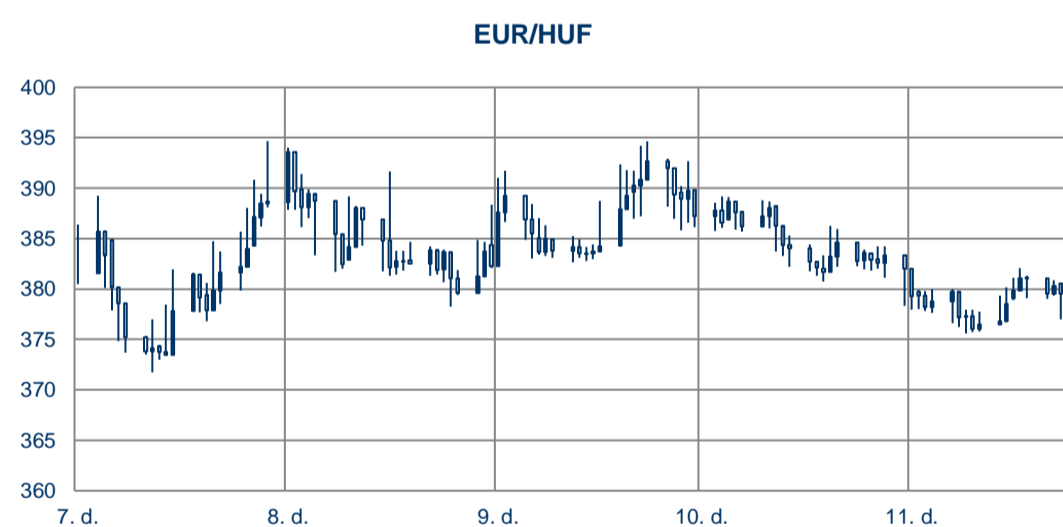
Spot FX rates			
9:50	Bid	Ask	Direction*
EURHUF	381.37	384.04	↓
USDHUF	345.72	348.14	↓
CHFHUF	409.33	412.28	↓
EURUSD	1.10	1.11	↓
EURCHF	0.93	0.93	↔
EURGBP	0.86	0.87	↓
GBPHUF	440.73	444.02	↓
PLNHUF	87.84	88.51	↓
RONHUF	76.67	77.28	↓
CZKHUF	15.44	15.56	↓
EURPLN	4.33	4.35	↓
EURCZK	24.61	24.77	↓
JPYHUF	244.31	246.06	↓
TRYHUF	11.63	11.71	↓

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

Forward FX swap			
9:50	EUR/HUF	USD/HUF	CHF/HUF
1 week	46	35	6
1 month	215	151	316
2 months	367	251	554
3 months	516	339	792
6 months	867	520	1388
9 months	1104	590	1828
1 year	1393	685	2307

Bloomberg forecast			
	EURHUF	USDHUF	EURUSD
Q4 23	384	358	1.0700
Q1 24	385	350	1.1000
Q2 24	386	353	1.1000
Q3 24	385	350	1.1100

K&H Bank forecast			
	EURHUF	USDHUF	EURUSD
2023.12.31	385	350	1.10
2024.01.31	384	348	1.10
2024.02.29	383	346	1.11
2024.03.31	382	344	1.11
2024.04.30	383	344	1.11
2024.05.31	384	344	1.12
2024.06.30	385	344	1.12



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Base rates				
	current(%)	last decision	next decision	expected (%)
NBH	10.75	2023.12.19	2024.01.30	n.a.
ECB	4.50	2023.12.14	2024.01.25	n.a.
SNB	-0.75	2021.12.31	I/A Field Not Appical	n.a.
FED	5.50	2024.01.01	2024.01.31	5.50

Government bonds		
tenor	benchmark (%)	change (%)*
6 months	6.26	0.00
3 years	6.12	0.66
10 years	5.86	0.69
15 years	6.11	0.00

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

EONIA	
value date:	2021.12.31
value:	-0.505

* 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	5.4692	5.5930	5.5860	6.0414
CHF LIBOR	-0.7786	-0.7754	-0.7530	-0.7028	-0.5532
BUBOR	10.7500	10.6000	9.9600	9.5900	9.0500
EURIBOR		3.8450	3.9090	3.8610	3.5130
EUR LIBOR	-0.6496	-0.6194	-0.5806	-0.5560	-0.4857

Main international stock indices		
index	yesterday close	change (%)*
S&P 500	4 769.83	-0.28
Dow Jones	37 689.54	-0.05
CAC 40	7 543.18	0.74
FTSE 100	7 733.24	0.23
Hang Seng	17 047.39	-1.52
Nikkei 225	33 464.17	-0.22

* Based on opening and closing rates of yesterday

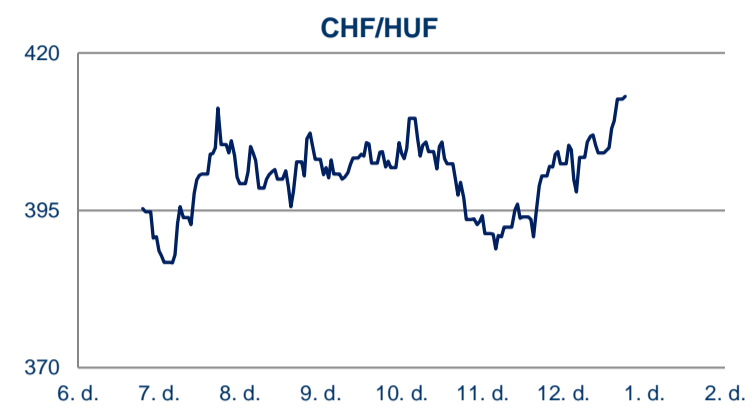
HUF IRS (swap market rates, %)									
1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
8.0300	6.6000	6.0900	5.8600	5.7600	5.7300	5.7500	5.7950	5.8300	5.8600

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
3.4827	2.8529	2.6121	2.5230	2.4979	2.4945	2.5024	2.5185	2.5361	2.5587

Main macro economical data of Hungary				
	last date	y/y	next date	forecast
GDP (%)	2022.12.31	4.78	n.a.	n.a.
CPI (%)	2023.11.30	7.90	2024.01.12	n.a.
PPI (%)	2023.10.31	-6.60	2024.01.05	n.a.
industrial output (%)	2023.10.31	-2.80	2024.01.09	n.a.
rate of unemployment (%)	2023.10.31	4.30	2024.01.05	n.a.
trade balance (m EUR)	2023.10.31	1003.00	2024.01.04	n.a.
current account (EUR)	2023.09.30	-2.14	n.a.	n.a.
retail sales (%)	2023.10.31	-6.50	2024.01.08	n.a.

Main macro economical data of the USA				
	last date	y/y	next date	forecast
GDP (%)	2023.09.30	2.90	2024.01.25	n.a.
CPI (%)	2023.11.30	3.10	2024.01.11	3.2
PPI (%)	2023.11.30	-0.90	2024.01.12	n.a.
industrial output (%)	2023.11.30	-0.39	2024.01.17	n.a.
rate of unemployment (%)	2023.11.30	3.70	2024.01.05	3.80
trade balance (b USD)	2023.10.31	-64.255	2024.01.09	-64
current account (%)	2023.09.30	-3.07	n.a.	n.a.
retail sales (%)	2023.11.30	4.10	2024.01.17	n.a.

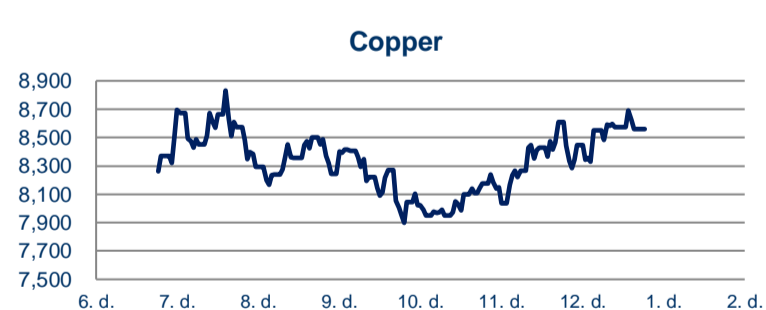
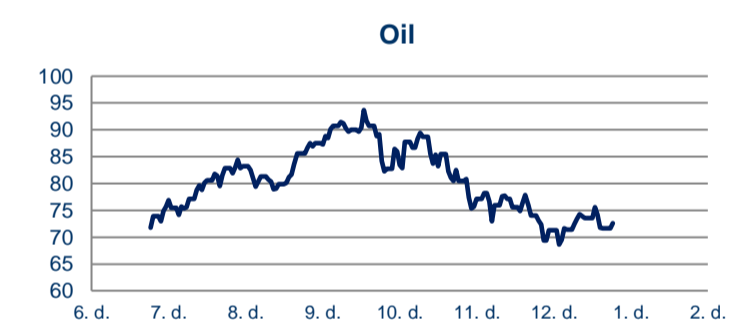
Main macro economical data of the Eurozone				
	last date	y/y	next date	forecast
GDP (%)	2023.09.30	0.00	2024.01.30	n.a.
CPI (%)	2023.11.30	2.40	2024.01.17	n.a.
PPI (%)	2023.10.31	-9.40	2024.01.05	-8.60
industrial output (%)	2023.10.31	-0.70	2024.01.15	n.a.
rate of unemployment (%)	2023.10.31	6.50	2024.01.09	n.a.
trade balance (m EUR)	2023.10.31	11091.00	2024.01.15	n.a.
current account (%)	2023.10.31	33.80	2024.01.18	n.a.
retail sales (%)	2023.10.31	-1.20	2024.01.08	n.a.



Commodity			
	oil* (USD/barrel)	gold (USD/ounce)	copper** (USD/ton)
price	72.60	2 073.64	8 559.00
52 week high	88.21	2 135.39	9 550.50
52 week low	64.24	1 804.92	7 856.00

* WTI next expiry

** LME 3-mth forward



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