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Good Morning Treasury!

Markets, economy

The S&P 500 (-0.34%) and the Nasdaq Composite (-0.56%) closed in negative territory on Thursday, extending their downward streak to start 2024, however, the Dow Jones rallied (+0.33%) on the back of financial stocks and strong employment data. For the S&P 500, this is the worst start to the year since 2015. In Hungary, the BUX started to rise again, closing up 0.30%. Among domestic blue chips, Richter remains the favourite this year so far. The STOXX 600 is also starting to make up for the losses of the past few days, it was up 0.7% yesterday.

EURUSD

The euro seemed to have strengthened during the day yesterday but started to weaken again today. Investors are now predicting a later-than-expected start to interest rate cuts, which reduces demand for equities and strengthens the dollar. The EUR/USD exchange rate is approaching the 1.0920 level this morning.

EURHUF, USDHUF

The falling of the euro was also visible on its exchange rate against the forint, with the EUR/HUF index falling again yesterday and this trend might be set to continue. The euro-forint exchange rate was at 378.72; while the dollar-forint was trading at 346.73 at 9am this morning.

Commodities

Oil prices are on the rise after minutes from the Federal Reserve meeting indicated that inflation is confidently under control. Brent crude is currently at \$77.91 per barrel, while WTI futures are at \$72.62.

Macro calendar

The US initial jobless claims data turned out rather positive. European inflation figures are due out today.

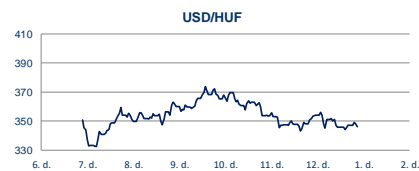
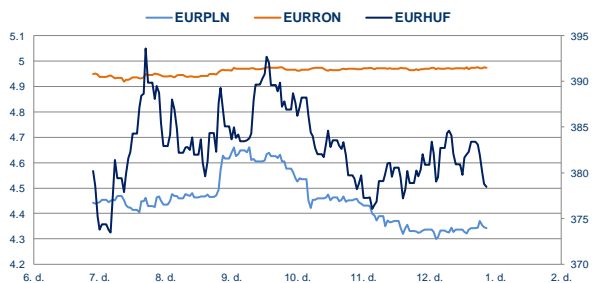
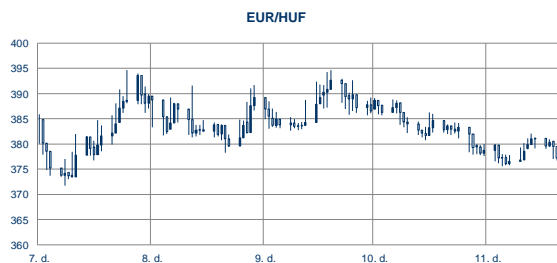
Spot FX rates			
9:53	Bid	Ask	Direction*
EURHUF	377.06	379.58	↓
USDHUF	345.63	347.96	↑
CHFHUF	405.85	408.62	↑
EURUSD	1.09	1.09	↑
EURCHF	0.93	0.93	↑
EURGBP	0.86	0.86	↑
GBPHUF	437.76	440.98	↓
PLNHUF	86.85	87.49	↓
RONHUF	75.77	76.36	↓
CZKHUF	15.28	15.39	↓
EURPLN	4.33	4.36	↓
EURCZK	24.59	24.74	↓
JPYHUF	238.31	239.93	↓
TRYHUF	11.57	11.64	↓

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

Forward FX swap			
9:53	EUR/HUF	USD/HUF	CHF/HUF
1 week	44	33	6
1 month	199	140	296
2 months	371	253	562
3 months	509	336	786
6 months	854	514	1375
9 months	1123	610	1852
1 year	1373	668	2279

Bloomberg forecast			
	EURHUF	USDHUF	EURUSD
Q4 23	384	358	1.0700
Q1 24	385	352	1.0900
Q2 24	386	354	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	VA Field Not Applicab	n.a.
FED	5.50	2024.01.04	2024.01.31	5.50

Government bonds		
tenor	benchmark (%)	change (%)*
6 months	6.98	3.56
3 years	6.33	0.00
10 years	6.09	-0.16
15 years	6.34	0.00

* 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:	2021.12.31
value:	-0.505

Interbank offered rates (%)					
	1 day	1 month	3 months	6 months	1 year
USD LIBOR	5.0616	5.4598	5.5918	5.5964	6.0414
CHF LIBOR	-0.7786	-0.7754	-0.7530	-0.7028	-0.5532
BUBOR	10.7500	10.5700	9.9400	9.5300	8.9700
EURIBOR		3.8650	3.9290	3.8820	3.5450
EUR LIBOR	-0.6496	-0.6194	-0.5806	-0.5560	-0.4857

Main international stock indices		
index	yesterday close	change (%)*
S&P 500	4 688.68	-0.34
Dow Jones	37 440.34	0.03
CAC 40	7 450.63	-0.72
FTSE 100	7 723.07	-0.60
Hang Seng	16 645.98	-0.66
Nikkei 225	33 288.29	0.27

* Based on opening and closing rates of yesterday

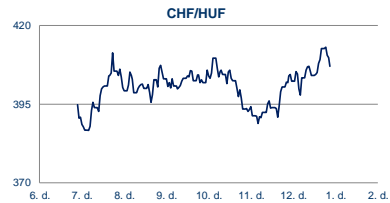
HUF IRS (swap market rates, %)									
1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
7.9700	6.5700	6.1100	5.8900	5.8000	5.7900	5.8200	5.8600	5.9100	5.9700

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
3.5363	2.9223	2.6790	2.5783	2.5401	2.5296	2.5324	2.5445	2.5595	2.5785

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	6.2
PPI (%)	2023.11.30	-6.60	2024.01.05	n.a.
industrial output (%)	2023.10.31	-2.80	2024.01.09	n.a.
rate of unemployment (%)	2023.11.30	4.30	2024.01.05	n.a.
trade balance (m EUR)	2023.11.30	1717.90	2024.02.01	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	3.3
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	-64.8
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	6.60
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.



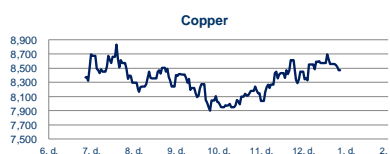
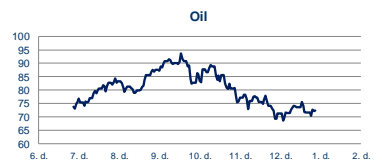
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Commodity			
	oil* (USD/barrel)	gold (USD/ounce)	copper** (USD/ton)
price	72.43	2 042.90	8 466.50
52 week high	88.21	2 135.39	9 550.50
52 week low	64.24	1 804.92	7 856.00

* WTI next expiry

** LME 3-mth forward



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