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## Good Morning Treasury!

#### Markets, economy

US stock indices recovered Tuesday's losses yesterday, but investors were still trading with increased caution in anticipation of the inflation report. This somewhat dampened the rise in equities. The S&P 500 was up 0.57%, the NASDAQ 0.75% and the Dow 0.45%. Despite this, sentiment in Europe was remarkably gloomy, with the STOXX 600 down 0.2% as market expectations were that an ECB interest rate cut was unlikely to arrive before its expected date. The Hungarian stock market soared yesterday, with shares in OTP (+3.2%) and Magyar Telekom (+5.1%) both posting major gains, sending the BUX index up 1.4%.

#### EURUSD

With US equities moving in the opposite direction to the dollar, the dollar weakened once again, which helped the euro. This trend is likely to continue in the markets in the near future. The euro stands at 1.0976 against the dollar this morning.

#### EURHUF, USDHUF

The forint is holding steady against both the dollar and the euro. Thanks to the weakening of the dollar, the USD/HUF exchange rate has fallen from 347.41 to levels around 344.50 and it is also showing signs of improvement against the euro, which is currently trading at 378.33.

#### Commodities

Two geopolitical conflicts in the Middle East are driving up oil prices at the same time. Armed tensions are escalating in both the Gaza Strip and the Red Sea region. Brent oil is at \$77.36 a barrel, while WTI is at \$71.87 this morning, up roughly 0.7% from yesterday's close. The price of gold is also rising as the dollar weakens, it is currently up 0.5% at \$2033.71 an ounce.

#### Macro calendar

The release of US inflation data will highly impact all global markets

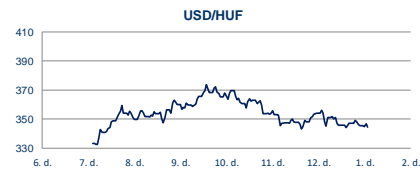
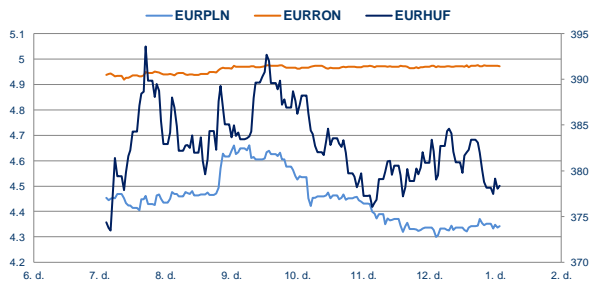
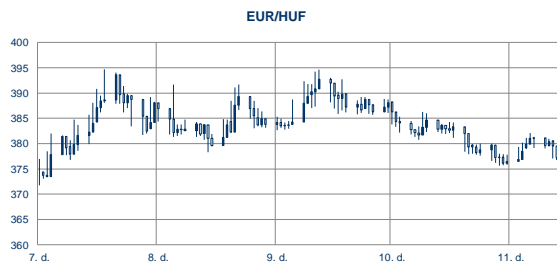
Spot FX rates			
9:50	Bid	Ask	Direction*
EURHUF	377.40	379.96	↗
USDHUF	343.92	346.23	↗
CHFHUF	404.21	406.98	↗
EURUSD	1.09	1.10	↘
EURCHF	0.93	0.94	↗
EURGBP	0.86	0.86	↘
GBPHUF	438.74	442.00	↗
PLNHUF	86.88	87.50	↗
RONHUF	75.87	76.46	↗
CZKHUF	15.30	15.42	↘
EURPLN	4.33	4.36	↗
EURCZK	24.59	24.74	↗
JPYHUF	236.43	238.03	↘
TRYHUF	11.41	11.48	↗

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

Forward FX swap			
9:50	EUR/HUF	USD/HUF	CHF/HUF
1 week	45	33	6
1 month	192	133	288
2 months	353	235	541
3 months	478	308	752
6 months	757	433	1272
9 months	972	493	1701
1 year	1152	505	2064

Bloomberg forecast			
	EURHUF	USDHUF	EURUSD
Q1 24	384	350	1.1000
Q2 24	385	348	1.1100
Q3 24	386	347	1.1200
Q4 24	385	344	1.1200

K&H Bank forecast			
	EURHUF	USDHUF	EURUSD
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
2023.05.31	384	344	1.12
2024.06.30	385	344	1.12
2024.09.30	387	342	1.13
2024.12.31	392	347	1.13



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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	2024.01.10	2024.01.31	5.50

Government bonds		
tenor	benchmark (%)	change (%)*
6 months	6.99	-0.14
3 years	6.03	-2.11
10 years	5.82	-1.69
15 years	6.14	-0.97

\* 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	5.4500	5.5851	5.6014	6.0414
CHF LIBOR	-0.7786	-0.7754	-0.7530	-0.7028	-0.5532
BUBOR	10.7500	10.5000	9.8500	9.4100	8.8900
EURIBOR		3.8670	3.9280	3.8910	3.6010
EUR LIBOR	-0.6496	-0.6194	-0.5806	-0.5560	-0.4857

Main international stock indices		
index	yesterday close	change (%)*
S&P 500	4 783.45	0.57
Dow Jones	37 695.73	0.45
CAC 40	7 426.08	0.54
FTSE 100	7 651.76	0.49
Hang Seng	16 097.28	1.27
Nikkei 225	34 441.72	1.77

\* Based on opening and closing rates of yesterday

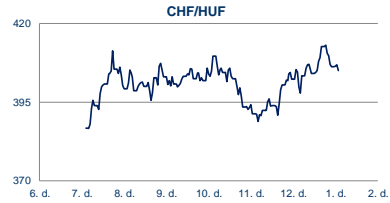
HUF IRS (swap market rates, %)									
1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
7.6440	6.1400	5.7500	5.5800	5.5200	5.5300	5.5800	5.6400	5.7000	5.7600

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
3.5807	2.9950	2.7540	2.6520	2.6108	2.5951	2.5940	2.6012	2.6125	2.6283

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	5.9
PPI (%)	2023.11.30	-6.60	2024.01.31	n.a.
industrial output (%)	2023.11.30	-5.60	2024.02.06	n.a.
rate of unemployment (%)	2023.11.30	4.30	2024.01.26	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 (%)	2023.11.30	-5.40	2024.02.06	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 (%)	2023.12.31	3.70	2024.02.02	n.a.
trade balance (b USD)	2023.11.30	-63.207	2024.02.07	n.a.
current account (%)	2023.09.30	-3.07	n.a.	n.a.
retail sales (%)	2023.11.30	4.10	2024.01.17	n.a.

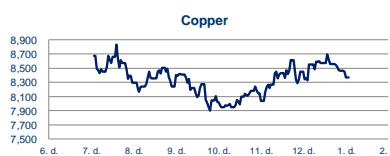
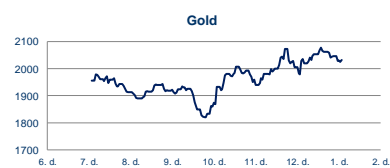
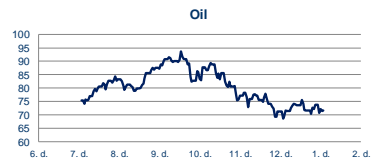
Main macro economical data of the Eurozone				
	last date	y/y	next date	forecast
GDP (%)	2023.09.30	0.00	2024.01.30	n.a.
CPI (%)	2023.12.31	2.90	2024.01.17	n.a.
PPI (%)	2023.11.30	-8.80	2024.02.05	n.a.
industrial output (%)	2023.10.31	-0.70	2024.01.15	n.a.
rate of unemployment (%)	2023.11.30	6.40	2024.02.01	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 (%)	2023.11.30	-1.10	2024.02.06	n.a.



Commodity			
	oil* (USD/barrel)	gold (USD/ounce)	copper** (USD/ton)
price	71.57	2 032.00	8 370.50
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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