Good Morning Treasury!

February 8, 2016

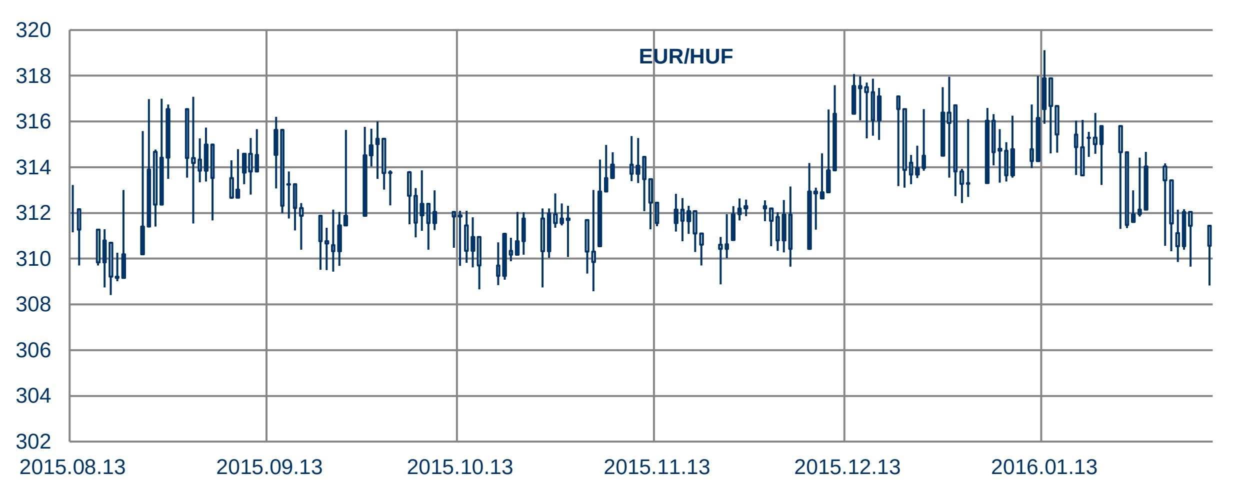
- **European and US equities reacted by fall to the US labour market report**. While European stocks posted slighter minus, US closed with more significant losses. Technology sector dropped the most (-3.25%). Asian papers traded mixed overnight.
- **Mixed picture was given by the US macro data released on Friday**. US nonfarm payrolls increased by 151 thousands people while analysts expected a growth of 190 thousands. But if we take into account that labour market has been expanding for several years we can see that this is not an unfavourable data. Moreover, unemployment rate dropped to an almost eight-year low of 4.9% and wages grew with faster pace than before. However, Fed rate decision is not only influenced by labour market progress. While US labour market data supports the rate-hike, the weakening manufacturing confidence indexes and sell-off on emerging markets may justify the postponement of the rate raise.
- **Barclays modified the prediction of the rate-hike from 3 times to 2** (one in June and one in December) citing the service sector's weakening performance.
- **USD could strengthen against EUR** after Friday's US macro data. EUR/USD closing price was around 1.116 on Friday and continued to head north this morning,
- EUR/HUF sank below 310 on Friday and HUF could hold its strong level against EUR this morning.
- **Oil prices slid further on Friday** and closed the week with more than 8% losses. Investors' pessimism was driven mainly by ongoing concerns about a global glut of supplies.
- **During the week the President of Federal Reserve, Janet Yellen will hold a semi report** where US economy will be evaluated. Regarding to macro calendar, US retail sales and Eurozone GDP data can be more important

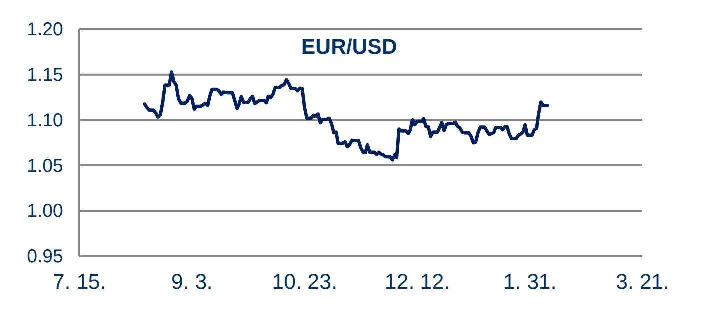
spot FX rates			
9:59	Bid	Ask	Direction*
EURHUF	308.24	310.32	↗
USDHUF	276.45	278.31	↗
CHFHUF	278.42	280.32	↗
EURUSD	1.1117	1.1184	↗
EURCHF	1.1037	1.1105	↗
EURGBP	0.7670	0.7717	↗
GBPHUF	400.64	403.33	↘
PLNHUF	70.01	70.50	↘
RONHUF	68.79	69.25	↘
CZKHUF	11.3926	11.4752	↘
EURPLN	4.3881	4.4160	↘
EURCZK	26.96	27.14	↗
JPYHUF	235.9500	237.7311	↗
TRYHUF	94.62	95.29	↘

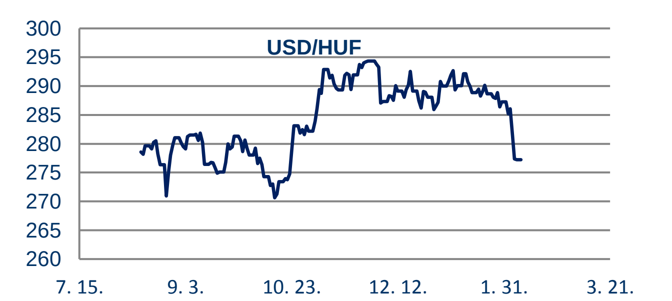
*The currenct mid rate based on yesterday's close price

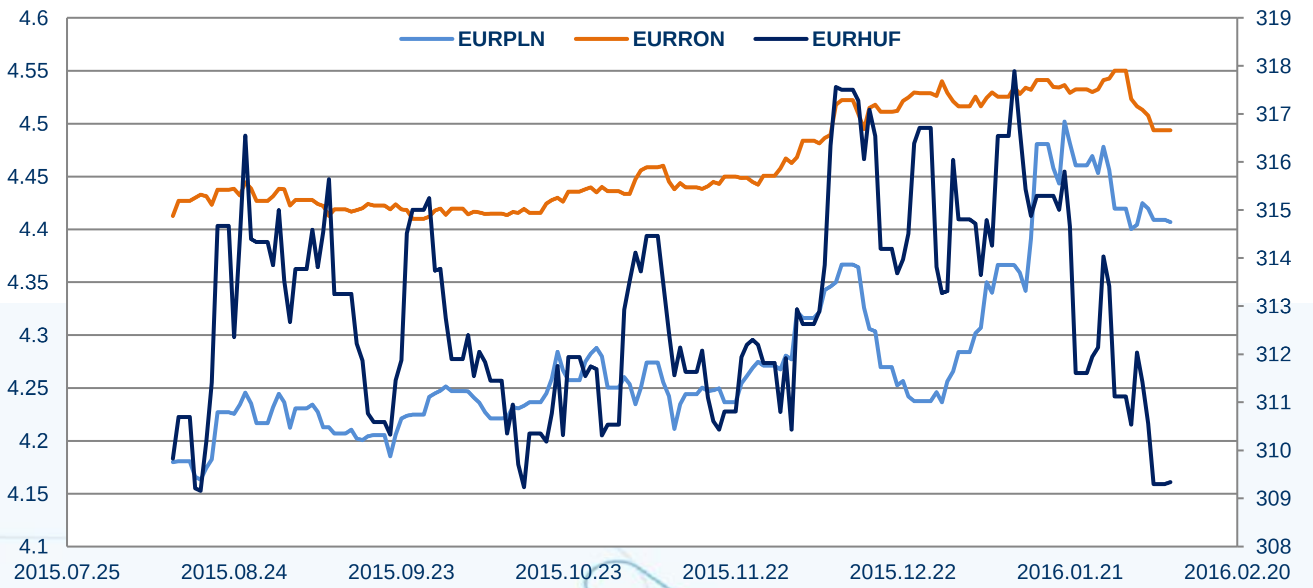
forward FX swap			
9:59	EUR/HUF	USD/HUF	CHF/HUF
1 week	8.85	3.75	13.70
1 month	39.14	16.00	46.47
2 months	82.64	29.00	98.99
3 months	119.53	37.50	144.71
6 months	233.86	52.50	288.70
9 months	347.76	55.00	432.92
1 year	470.26	55.00	580.99

bloomberg forecast			
	EURHUF	USDHUF	EURUSD
Q1 16	314.00	294.00	1.06
Q2 16	312.00	301.00	1.05
Q3 16	315.00	301.50	1.05
Q4 16	313.00	303.00	1.06









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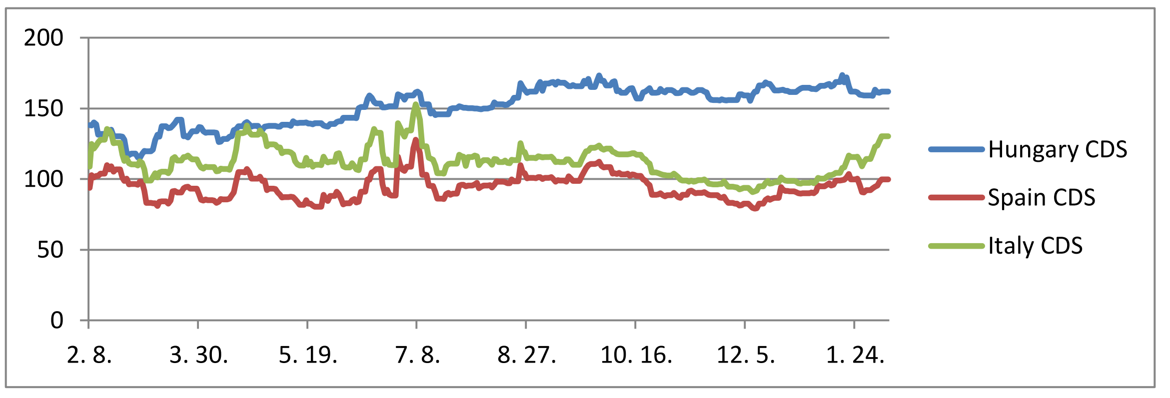
base rates				
	current(%)	last decision	next decision	expected (%)
NBH	1.35	2016.01.26	2016.02.23	1.35
ECB	0.05	2016.01.21	2016.03.10	n.a.
SNB	-0.75	2016.02.05	Field Not Applic	n.a.
FED	0.50	2016.02.05	2016.03.16	0.75



government bonds		
tenor	benchmark (%)	change (%)*
6 months	1.05	0.00
3 years	1.98	3.66
10 years	3.42	1.79
15 years	3.65	1.39

* Based on opening and closing rates of yesterday

Hungarian 5 year CDS price	
actual value:	162.05
last one year min:	114.69
last one year max:	173.69

interbank offered rates (%)					
	1 day	1 month	3 months	6 months	1 year
USD LIBOR	0.3700	0.4289	0.6197	0.8672	1.1355
CHF LIBOR	-0.7712	-0.7830	-0.7510	-0.6878	-0.6062
BUBOR	1.14	1.35	1.35	1.35	1.35
EURIBOR		-0.2340	-0.1670	-0.1040	-0.0020
EUR LIBOR	-0.2836	-0.2400	-0.1881	-0.1147	-0.0083
EONIA	value date:	2016.02.05	value:	-0.236	

main international stock indices		
index	yesterday close	change (%)*
S&P 500	1 880.05	-1.85
Dow Jones	16 204.97	-1.29
CAC 40	4 200.67	-0.66
FTSE 100	5 848.06	-0.86
Hang Seng	19 288.17	0.55
Nikkei 225	16 819.59	0.49

* Based on opening and closing rates of yesterday

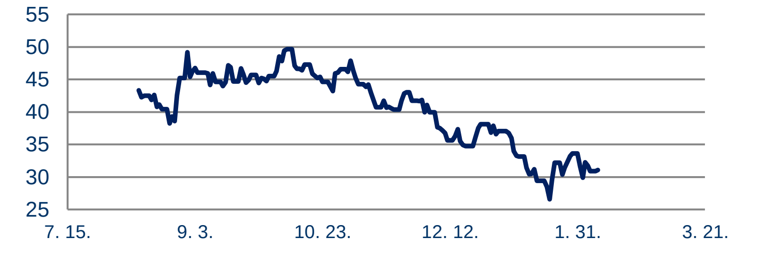
HUF IRS (swap market rates, %)									
1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
1.3100	1.3200	1.3600	1.5050	1.6700	1.8500	2.0200	2.1900	2.3600	2.5000
EUR IRS (swap market rates, %)									
1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
-0.1668	-0.1843	-0.1348	-0.0468	0.0633	0.1833	0.2981	0.4201	0.5360	0.6380

main macro economical data of Hungary				
	last date	y/y	next date	forecast
GDP (%)	2014.12.31	3.63	n.a.	n.a.
CPI (%)	2015.12.31	0.90	2016.02.11	1.3
PPI (%)	2015.12.31	-1.30	2016.02.29	n.a.
indsutrial output (%)	2015.12.31	6.90	2016.03.07	n.a.
rate of unemployment (%)	2015.12.31	6.20	2016.02.26	6.4
trade balance (m EUR)	2015.11.30	687.00	2016.02.08	332.5
current account (EUR)	2015.09.30	6.20	n.a.	n.a.
retail sales (%)	2015.12.31	112.80	n.a.	n.a.

commodity			
	oil* (USD/barrel)	gold (USD/ounce)	copper** (USD/ton)
price	31.09	1 166.67	4 630.00
52 week high	65.69	1 246.39	6 481.00
52 week low	27.56	1 046.43	4 318.00

* WTI next expiry
** LME 3-mth forward

Oil



main macro economical data of the USA				
	last date	y/y	next date	forecast
GDP (%)	2015.12.31	1.80	2016.02.26	n.a.
CPI (%)	2015.12.31	0.70	2016.02.19	1.2
PPI (%)	2015.12.31	-2.70	2016.02.17	n.a.
indsutrial output (%)	2015.12.31	-1.75	n.a.	n.a.
rate of unemployment (%)	2016.01.31	4.90	2016.03.04	n.a.
trade balance (b USD)	2015.12.31	-43.357	2016.03.04	n.a.
current account (%)	2015.09.30	-2.53	n.a.	n.a.
retail sales (%)	2015.12.31	2.20	2016.02.12	n.a.

Gold

main macro economical data of the Eurozone				
	last date	y/y	next date	forecast
GDP (%)	2015.09.30	1.60	2016.02.12	1.5
CPI (%)	2016.01.31	0.40	2016.02.25	n.a.
PPI (%)	2015.12.31	-3.00	2016.03.02	n.a.
indsutrial output (%)	2015.11.30	-0.70	2016.02.12	0.3
rate of unemployment (%)	2015.12.31	10.40	2016.03.01	n.a.
trade balance (m EUR)	2015.11.30	23618.10	2016.02.15	n.a.
current account (%)	2015.11.30	26.43	2016.02.18	n.a.
retail sales (%)	2015.12.31	1.40	2016.03.03	n.a.

Copper