

# Good Morning Treasury!

February 29, 2016



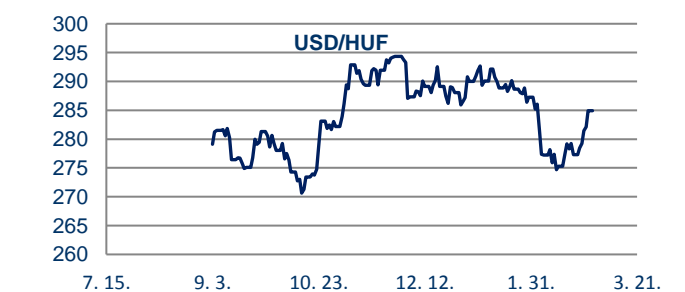
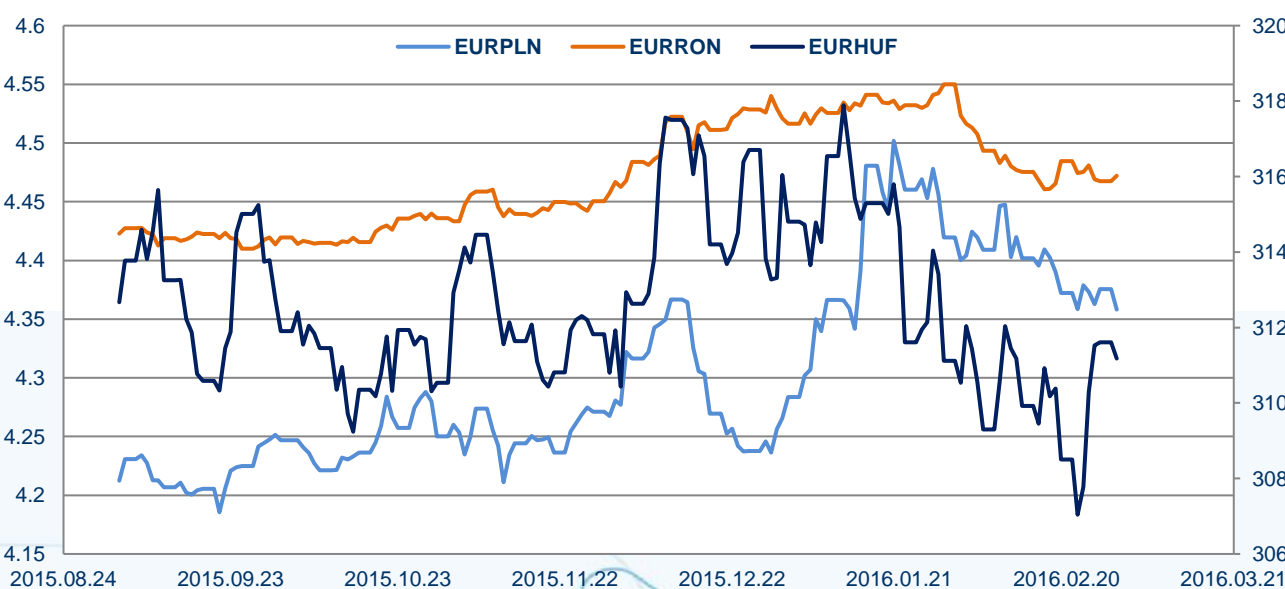
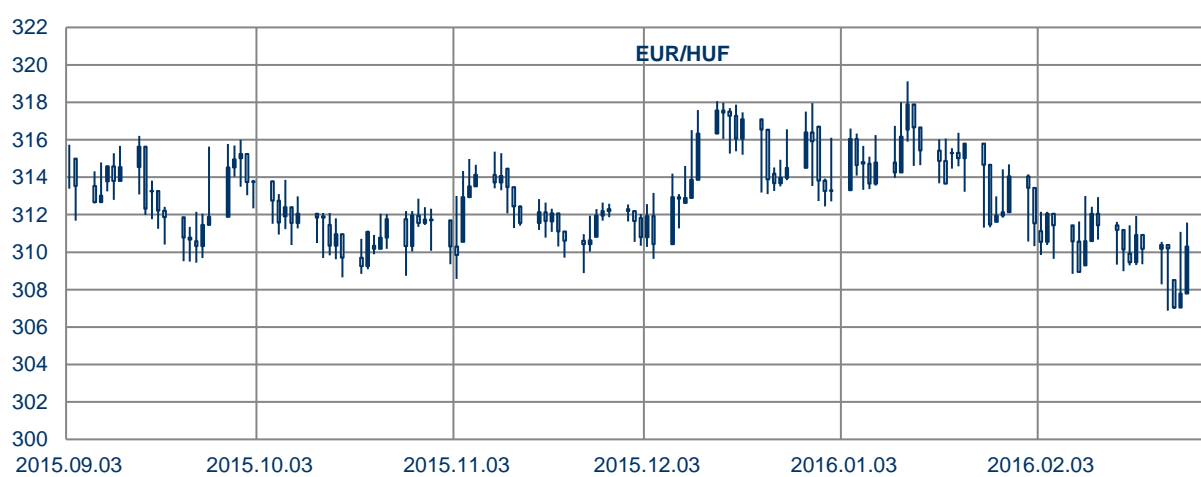
- **European shares rose for a second straight session on Friday** and main indexes ended up with more than 1.4% pluses. Oil turned to fall again during US trading hours and fade investors' optimistic mood. As a result of that **US main indices could not hold their initial strengthening and closed mixed**. Asian papers traded in negative territory overnight after that G20 summit failed to agree on newer stimulus measures.
- **US economy grew at faster pace than expected in the last quarter of 2015**. The economy increased by 1% compared to the previous month while analysts predicted 0.4% of expansion. The favourable data can be owed mainly to inventories' upward modification. Low oil prices and growing employment may boost consumption and as a result of that economy can grow further. However, we may count with slower economic expansion in the first quarter because of the potential fall in inventories. After the release of the data dollar headed to strengthen versus euro and EUR/USD sank below 1.10. But USD appreciated against HUF as well on Friday and due to that USD/HUF jumped from 281 to around 285.
- **Oil prices continued their bullish run during the European trading hours** due to growing US gasoline demand and strengthening expectations about oil production cut. Brent rose above 36.5 USD/barrel and WTI traded around 34.4 on Friday. After US stocks' opening oil prices headed south again.
- **During the week Fed is going to release its Beige book and important labour market data will be published in the USA. Moody's review might be market mover regarding to Hungarian market**. However, we still do not expect the upgrade of Hungary's credit rating because the country's outlook became positive only in November and in general more time is needed to the real upgrade.
- Today's eco calendar contains **Euro zone inflation data, US real estate statistics and Chicago PMI**.

spot FX rates			
9:55	Bid	Ask	Direction*
EURHUF	310.14	312.23	↘
USDHUF	283.82	285.72	↘
CHF/HUF	284.36	286.30	↘
EURUSD	1.0894	1.0961	↗
EURCHF	1.0874	1.0941	↗
EURGBP	0.7856	0.7904	↗
GBPHUF	393.59	396.25	↗
PLNHUF	71.14	71.65	↘
RONHUF	69.31	69.84	↘
CZKHUF	11.4675	11.5506	↘
EURPLN	4.3448	4.3729	↘
EURCZK	26.95	27.13	↗
JPYHUF	251.2639	253.1171	↘
TRYHUF	95.80	96.47	↗

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

forward FX swap			
9:55	EUR/HUF	USD/HUF	CHF/HUF
1 week	6.97	1.31	13.70
1 month	37.70	8.63	54.97
2 months	69.50	7.00	91.73
3 months	105.06	15.00	144.18
6 months	226.31	30.00	310.51
9 months	342.50	29.51	472.47
1 year	475.75	28.00	642.87

bloomberg forecast			
	EURHUF	USDHUF	EURUSD
Q1 16	312.00	293.00	1.08
Q2 16	312.00	292.00	1.07
Q3 16	312.50	294.00	1.08
Q4 16	311.00	291.00	1.08

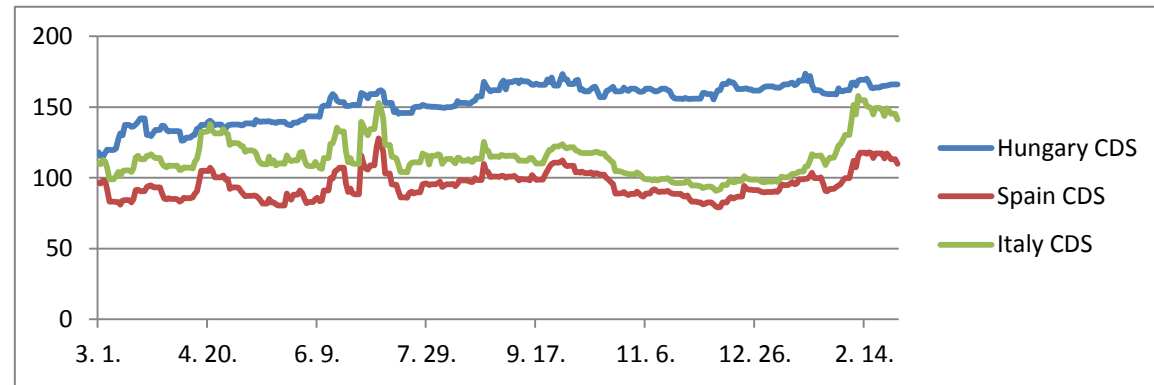


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base rates				
	current(%)	last decision	next decision	expected (%)
NBH	1.35	2016.02.23	2016.03.22	n.a.
ECB	0.05	2016.01.21	2016.03.10	n.a.
SNB	-0.75	2016.02.26	Field Not Applied	n.a.
FED	0.50	2016.02.26	2016.03.16	0.50



government bonds		
tenor	benchmark (%)	change (%)*
6 months	1.00	1.01
3 years	1.86	0.54
10 years	3.25	0.62
15 years	3.54	0.28

\* Based on opening and closing rates of yesterday

Hungarian 5 year CDS price	
actual value:	166.36
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	0.3745	0.4385	0.6351	0.8807	1.1610
CHF LIBOR	- 0.7756	- 0.8292	- 0.8066	- 0.7668	- 0.6854
BUBOR	0.51	1.35	1.35	1.32	1.31
EURIBOR	-	- 0.2640	- 0.2020	- 0.1290	- 0.0170
EUR LIBOR	- 0.2829	- 0.2663	- 0.2204	- 0.1287	- 0.0207
EONIA	value date:	2016.02.26	value:	-0.243	

main international stock indices		
index	yesterday close	change (%)*
S&P 500	1 948.05	-0.19
Dow Jones	16 639.97	-0.34
CAC 40	4 314.57	-0.78
FTSE 100	6 096.01	-0.68
Hang Seng	19 364.15	-1.30
Nikkei 225	16 188.41	-1.00

\* 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
1.1881	1.1525	1.1800	1.2700	1.4025	1.5450	1.7025	1.8500	1.9850	2.1150

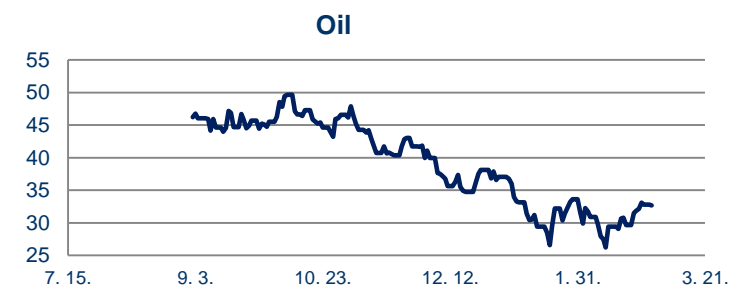
EUR IRS (swap market rates, %)									
1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
- 0.1745	- 0.1965	- 0.1615	- 0.0937	- 0.0095	0.0910	0.2020	0.3130	0.4183	0.5105

main macro economical data of Hungary				
	last date	y/y	next date	forecast
GDP (%)	2015.12.31	2.95	n.a.	n.a.
CPI (%)	2016.01.31	0.90	2016.03.08	n.a.
PPI (%)	2016.01.31	-1.70	2016.02.29	n.a.
industrial output (%)	2015.12.31	6.90	2016.03.07	n.a.
rate of unemployment (%)	2016.01.31	6.20	2016.03.29	n.a.
trade balance (m EUR)	2015.12.31	643.00	2016.03.03	n.a.
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	32.68	1 231.57	4 706.00
52 week high	65.71	1 263.47	6 481.00
52 week low	28.74	1 046.43	4 318.00

\* WTI next expiry

\*\* LME 3-mth forward



main macro economical data of the USA				
	last date	y/y	next date	forecast
GDP (%)	2015.12.31	1.90	2016.03.25	n.a.
CPI (%)	2016.01.31	1.40	2016.03.16	n.a.
PPI (%)	2016.01.31	-1.20	2016.03.15	n.a.
industrial output (%)	2016.01.31	-0.70	n.a.	n.a.
rate of unemployment (%)	2016.01.31	4.90	2016.03.04	4.90
trade balance (b USD)	2015.12.31	-43.357	2016.03.04	-43.8
current account (%)	2015.09.30	-2.53	n.a.	n.a.
retail sales (%)	2016.01.31	3.40	2016.03.15	n.a.

main macro economical data of the Eurozone				
	last date	y/y	next date	forecast
GDP (%)	2015.12.31	1.50	2016.03.08	n.a.
CPI (%)	2016.01.31	0.30	2016.03.17	n.a.
PPI (%)	2015.12.31	-3.00	2016.03.02	-2.90
industrial output (%)	2015.12.31	-1.00	2016.03.14	n.a.
rate of unemployment (%)	2015.12.31	10.40	2016.03.01	10.40
trade balance (m EUR)	2015.12.31	24281.70	2016.03.17	n.a.
current account (%)	2015.12.31	25.47	2016.03.21	n.a.
retail sales (%)	2015.12.31	1.40	2016.03.03	1.3

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