

# Good Morning Treasury!

January 26, 2016



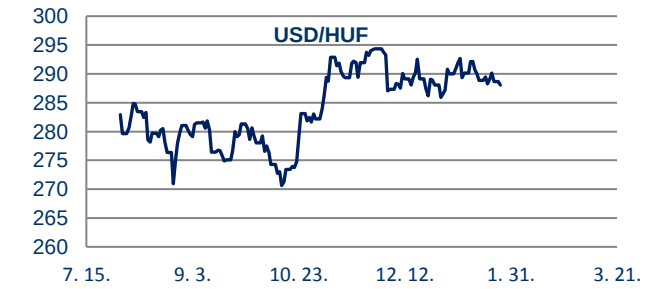
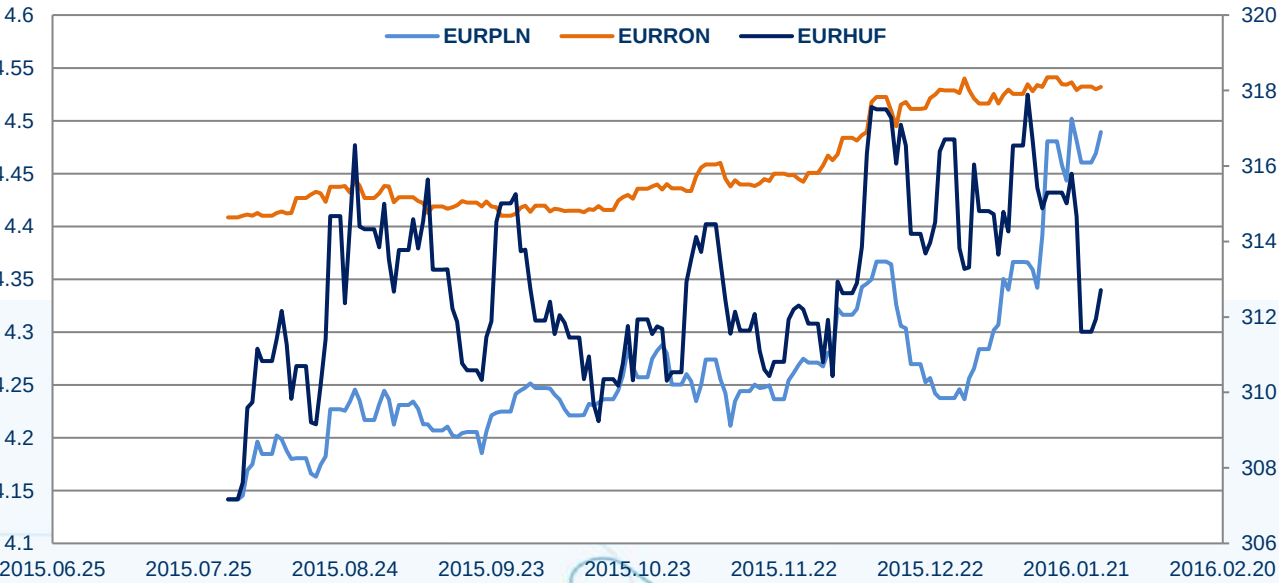
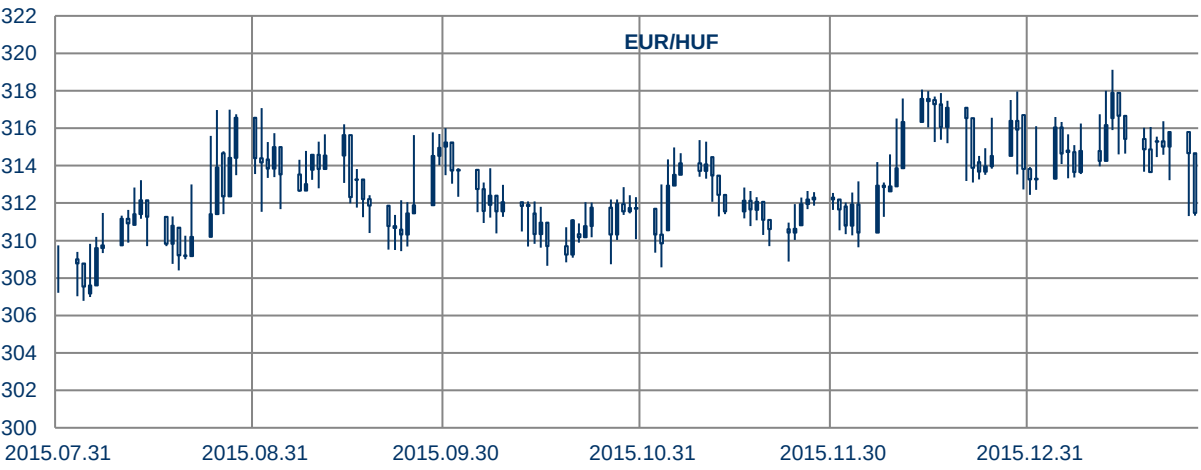
- **Monday's trading mood was influenced by oil prices decline.** Due to that both European and US equities closed with losses. US main shares indexes fell by more than 1% by the end of the day. Pessimistic mood expanded to Asian shares trading, Chinese indices lost more than 6% overnight.
- **After the oil prices' rally on Friday they dropped more than 7% on the first trading day of the week.** Brent and WTI slid below 30 USD/barrel as investors expected further increase from US oil supply data and Saudi Arabia signalled no willingness to change the oil production quotes.
- **Moody's warned yesterday that the Polish new bank tax threatens the profitability and the credit ratings of the country's lenders** while the conversion of foreign currency mortgages could risk the stability of the banking sector.
- **USD lost ground against EUR** as oil prices and equity markets turned downwards. EUR/USD increased near 1.0860 by today morning.
- **Risk off sentiment put some weakening pressure on HUF as well.** EUR/HUF started today's trading around 312.70. Nearest technical levels lie at 311.50 and 314.
- **Today, NBH will hold a rate session** where analysts expect to leave base rate on hold at 1.35%. Regarding the macro calendar US consumer confidence index and manufacturing PMI will be published.

| spot FX rates |          |          |            |
|---------------|----------|----------|------------|
| 10:02         | Bid      | Ask      | Direction* |
| EURHUF        | 311.70   | 313.78   | ↗          |
| USDHUF        | 287.34   | 289.25   | ↘          |
| CHF/HUF       | 283.43   | 285.34   | ↗          |
| EURUSD        | 1.0814   | 1.0881   | ↘          |
| EURCHF        | 1.0964   | 1.1031   | ↘          |
| EURGBP        | 0.7622   | 0.7668   | ↘          |
| GBPHUF        | 407.71   | 410.48   | ↗          |
| PLNHUF        | 69.41    | 69.90    | ↗          |
| RONHUF        | 68.80    | 69.24    | ↗          |
| CZKHUF        | 11.5325  | 11.6142  | ↗          |
| EURPLN        | 4.4758   | 4.5047   | ↗          |
| EURCZK        | 26.94    | 27.11    | ↘          |
| JPYHUF        | 243.3179 | 245.1733 | ↗          |
| TRYHUF        | 94.78    | 95.44    | ↘          |

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

| forward FX swap |         |         |         |
|-----------------|---------|---------|---------|
| 10:02           | EUR/HUF | USD/HUF | CHF/HUF |
| 1 week          | 10.92   | 5.50    | 13.70   |
| 1 month         | 40.10   | 16.36   | 50.48   |
| 2 months        | 79.20   | 29.00   | 98.51   |
| 3 months        | 122.16  | 36.00   | 148.65  |
| 6 months        | 242.83  | 57.50   | 307.71  |
| 9 months        | 386.08  | 78.00   | 480.07  |
| 1 year          | 501.09  | 73.00   | 645.05  |

| bloomberg forecast |        |        |        |
|--------------------|--------|--------|--------|
|                    | EURHUF | USDHUF | EURUSD |
| Q1 16              | 315.00 | 295.00 | 1.06   |
| Q2 16              | 312.00 | 303.00 | 1.04   |
| Q3 16              | 315.00 | 304.00 | 1.05   |
| Q4 16              | 313.50 | 303.00 | 1.04   |

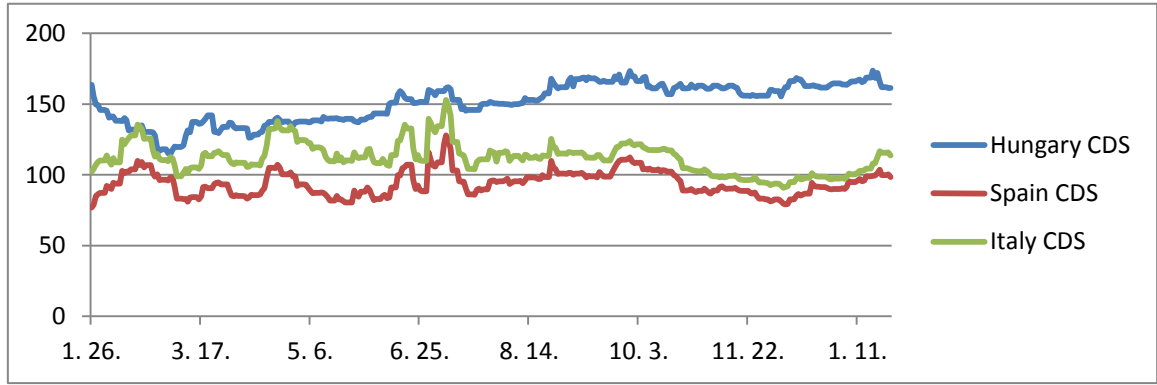


This document is published for information purposes only and does not represent a solicitation to deal in the instruments described. While the information given is believed to be reliable, K&H Bank cannot guarantee its accuracy or completeness, and accepts no responsibility whatsoever (including but not limited any loss, cost, litigation costs, indirect or special loss suffered by any company or other person) resulting from any company or other person trading on its basis. K&H Bank may have positions in or options on the securities mentioned herein which may change at any time. Opinions expressed are given in good faith, but are subject to change without notice. Should you have any questions concerning the content of this newsletter, please do not hesitate to contact Roxána Kosztelnik (roxana.kosztelnik@kh.hu).

➤ K&H TeleCenter (06 1/20/30/70) 335 3355  
➤ [www.kh.hu](http://www.kh.hu) ➤ [bank@kh.hu](mailto:bank@kh.hu)



| base rates |            |               |                   |              |
|------------|------------|---------------|-------------------|--------------|
|            | current(%) | last decision | next decision     | expected (%) |
| NBH        | 1.35       | 2015.12.15    | 2016.01.26        | 1.35         |
| ECB        | 0.05       | 2016.01.21    | 2016.03.10        | n.a.         |
| SNB        | -0.75      | 2016.01.25    | Field Not Applied | n.a.         |
| FED        | 0.50       | 2016.01.25    | 2016.01.27        | 0.50         |



| interbank offered rates (%) |             |            |          |          |          |
|-----------------------------|-------------|------------|----------|----------|----------|
|                             | 1 day       | 1 month    | 3 months | 6 months | 1 year   |
| USD LIBOR                   | 0.3659      | 0.4255     | 0.6191   | 0.8650   | 1.1560   |
| CHF LIBOR                   | - 0.7710    | - 0.7850   | - 0.7560 | - 0.6950 | - 0.6280 |
| BUBOR                       | 2.12        | 1.35       | 1.35     | 1.35     | 1.35     |
| EURIBOR                     |             | - 0.2310   | - 0.1550 | - 0.0770 | 0.0280   |
| EUR LIBOR                   | - 0.2829    | - 0.2257   | - 0.1629 | - 0.0843 | 0.0236   |
| EONIA                       | value date: | 2016.01.25 | value:   | -0.238   |          |

| government bonds |               |             |
|------------------|---------------|-------------|
| tenor            | benchmark (%) | change (%)* |
| 6 months         | 0.95          | 0.00        |
| 3 years          | 1.76          | -0.56       |
| 10 years         | 3.32          | 0.61        |
| 15 years         | 3.84          | 0.26        |

\* Based on opening and closing rates of yesterday

| Hungarian 5 year CDS price |        |
|----------------------------|--------|
| actual value:              | 161.06 |
| last one year min:         | 114.69 |
| last one year max:         | 173.69 |

| main international stock indices |                 |             |
|----------------------------------|-----------------|-------------|
| index                            | yesterday close | change (%)* |
| S&P 500                          | 1 877.08        | -1.56       |
| Dow Jones                        | 15 885.22       | -1.29       |
| CAC 40                           | 4 311.33        | -0.58       |
| FTSE 100                         | 5 877.00        | -0.39       |
| Hang Seng                        | 19 340.14       | -2.68       |
| Nikkei 225                       | 17 110.91       | -2.35       |

\* 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 |
| 1.3200                         | 1.3650   | 1.4750   | 1.6100  | 1.8000  | 1.9800  | 2.1700  | 2.3500  | 2.5150  | 2.6600   |
| 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 |
| - 0.1290                       | - 0.1445 | - 0.0885 | 0.0040  | 0.1305  | 0.2600  | 0.3930  | 0.5299  | 0.6430  | 0.7540   |

| 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 | n.a.     |
| PPI (%)                               | 2015.11.30 | -0.80  | 2016.01.29 | n.a.     |
| industrial output (%)                 | 2015.11.30 | 7.00   | 2016.02.05 | n.a.     |
| rate of unemployment (%)              | 2015.12.31 | 6.20   | 2016.01.28 | 6.3      |
| trade balance (m EUR)                 | 2015.11.30 | 673.00 | 2016.02.02 | n.a.     |
| current account (EUR)                 | 2015.09.30 | 6.20   | n.a.       | n.a.     |
| retail sales (%)                      | 2015.11.30 | 112.40 | n.a.       | n.a.     |

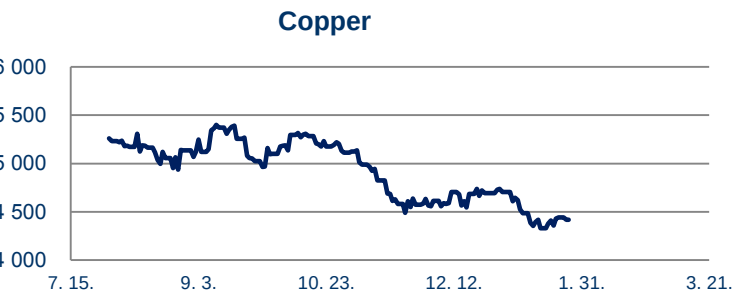
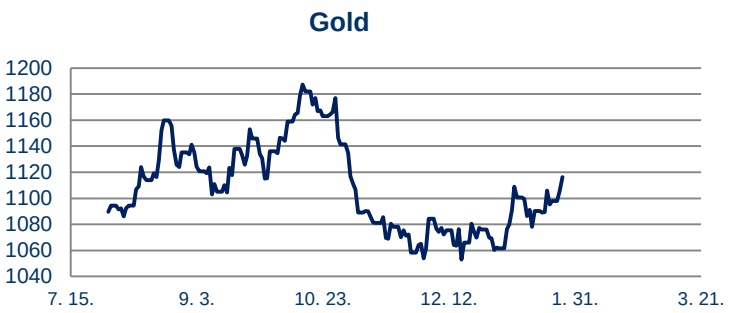
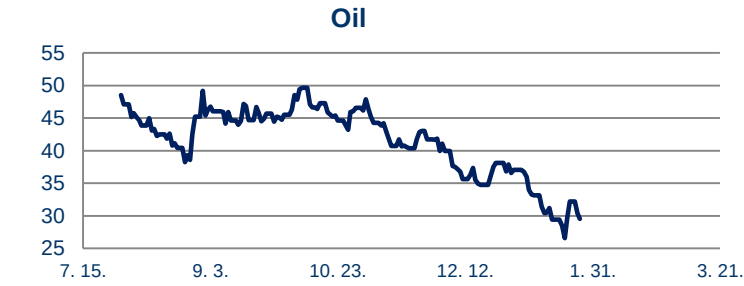
| main macro economical data of the USA |            |         |            |          |
|---------------------------------------|------------|---------|------------|----------|
|                                       | last date  | y/y     | next date  | forecast |
| GDP (%)                               | 2015.09.30 | 2.10    | 2016.01.29 | n.a.     |
| CPI (%)                               | 2015.12.31 | 0.70    | 2016.02.19 | n.a.     |
| PPI (%)                               | 2015.12.31 | -2.70   | 2016.02.17 | n.a.     |
| industrial output (%)                 | 2015.12.31 | -1.75   | n.a.       | n.a.     |
| rate of unemployment (%)              | 2015.12.31 | 5.00    | 2016.02.05 | 5.00     |
| trade balance (b USD)                 | 2015.11.30 | -42.374 | 2016.02.05 | 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.     |

| main macro economical data of the Eurozone |            |          |            |          |
|--------------------------------------------|------------|----------|------------|----------|
|                                            | last date  | y/y      | next date  | forecast |
| GDP (%)                                    | 2015.09.30 | 1.60     | 2016.02.12 | n.a.     |
| CPI (%)                                    | 2015.12.31 | 0.20     | 2016.02.25 | n.a.     |
| PPI (%)                                    | 2015.11.30 | -3.20    | 2016.02.02 | n.a.     |
| industrial output (%)                      | 2015.11.30 | -0.70    | 2016.02.12 | n.a.     |
| rate of unemployment (%)                   | 2015.11.30 | 10.50    | 2016.02.02 | 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 (%)                           | 2015.11.30 | 1.40     | 2016.02.03 | n.a.     |

| commodity    |                   |                  |                    |
|--------------|-------------------|------------------|--------------------|
|              | oil* (USD/barrel) | gold (USD/ounce) | copper** (USD/ton) |
| price        | 29.55             | 1 116.20         | 4 417.00           |
| 52 week high | 65.69             | 1 299.37         | 6 481.00           |
| 52 week low  | 27.56             | 1 046.43         | 4 318.00           |

\* WTI next expiry

\*\* LME 3-mth forward



This document is published for information purposes only and does not represent a solicitation to deal in the instruments described. While the information given is believed to be reliable, K&H Bank cannot guarantee its accuracy or completeness, and accepts no responsibility whatsoever (including but not limited any loss, cost, litigation costs, indirect or special loss suffered by any company or other person) resulting from any company or other person trading on its basis. K&H Bank may have positions in or options on the securities mentioned herein which may change at any time. Opinions expressed are given in good faith, but are subject to change without notice. Should you have any questions concerning the content of this newsletter, please do not hesitate to contact Roxana Kosztelnik (roxana.kosztelnik@kh.hu).

<