Good Morning Treasury!

March 7, 2016

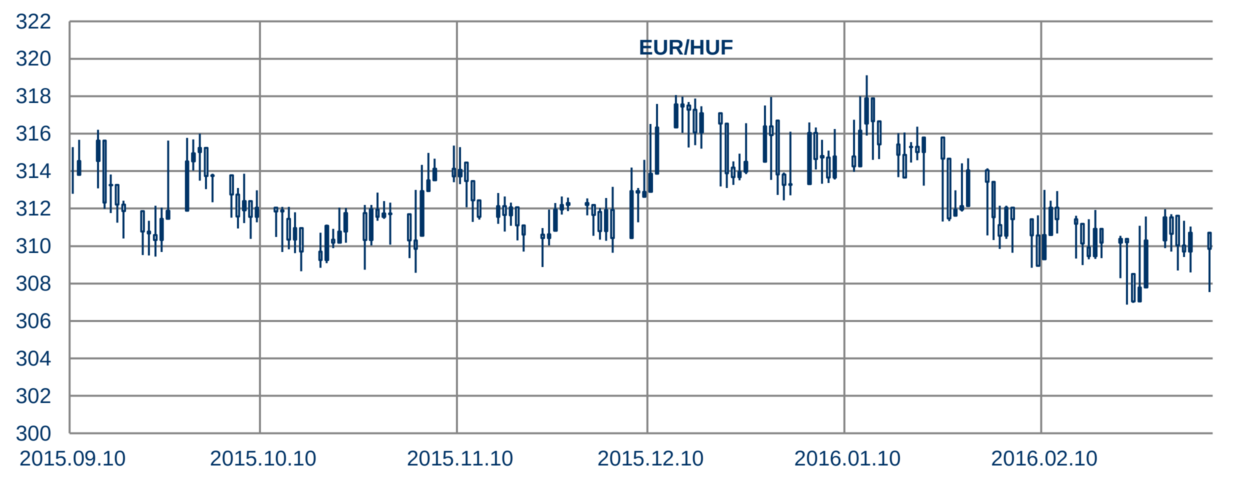
- **European and US stocks closed with gains on the last trading day of the week**. Optimistic sentiment was supported by oil prices' strengthening and more favourable than expected US labour market data. Asian shares traded in green overnight.
- **US nonfarm payrolls rose by 242 thousands in February**. The data exceeded significantly the expectations as analysts counted with 195 thousands growth. In addition, the employment increase of previous month was modified upwardly. US unemployment rate remained at 4.9% in February. The only element which may put negative pressure on strong labour market report was the average hourly earnings unexpected drop. Due to that USD could strengthen only temporarily. EUR/USD sank near to 1.09 and then turned back around 1.10 again.
- **Moody's did not modify the Hungary's debt rating on Friday** so the country's debt grade left further one inch from proposing for investment category. The rating agency may review Hungary's debt rating again in July.
- Ahead of the Moody's debt rating review forint strengthened significantly against EUR. EUR/HUF dropped near to 307.50 on Friday but then headed north again. **The pair traded around 308.70 this morning**.
- **Oil prices rose sharply on Friday and they closed with nearly 10% gains on weekly basis**. The oil's strengthening was supported by US output's fall and US favourable labour market data.
- **During the week ECB's rate decision will be in the focus** where further monetary easing will be expected. Regarding to domestic markets, GDP and inflation data may be important which are going to release tomorrow.

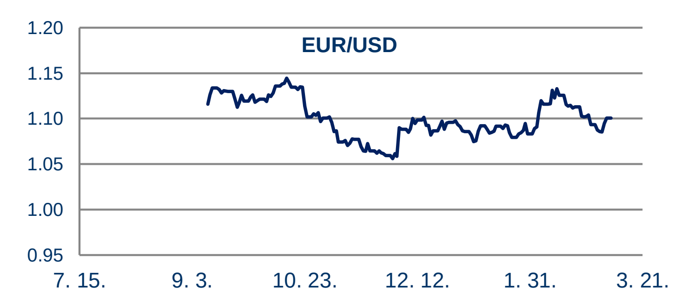
spot FX rates			
9:57	Bid	Ask	Direction*
EURHUF	307.50	309.59	↗
USDHUF	280.90	282.80	↗
CHFHUF	281.09	283.01	↘
EURUSD	1.0913	1.0980	↗
EURCHF	1.0907	1.0974	↘
EURGBP	0.7713	0.7760	↗
GBPHUF	397.45	400.14	↗
PLNHUF	71.13	71.62	↗
RONHUF	68.91	69.36	↘
CZKHUF	11.3667	11.4493	↗
EURPLN	4.3089	4.3366	↗
EURCZK	26.96	27.13	↗
JPYHUF	247.3059	249.1151	↗
TRYHUF	96.04	96.74	↘

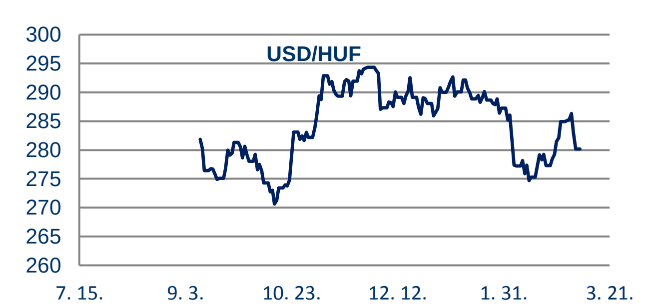
*The current mid rate based on yesterday's close price

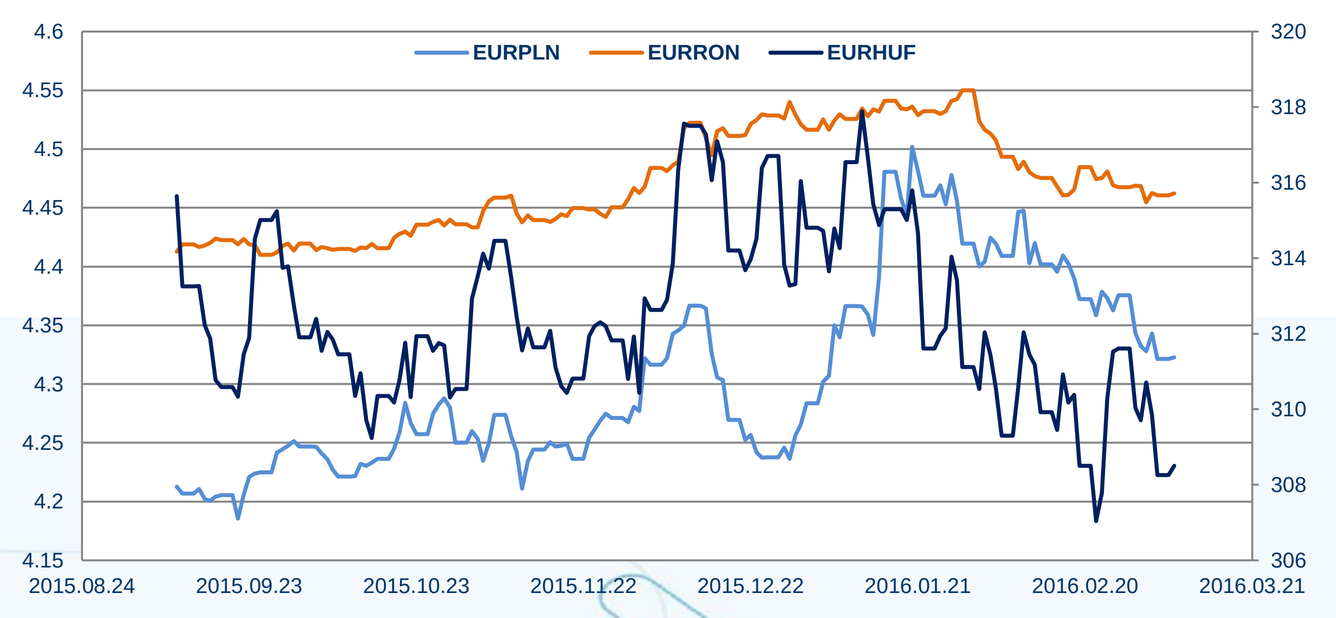
forward FX swap			
9:57	EUR/HUF	USD/HUF	CHF/HUF
1 week	8.46	2.59	13.70
1 month	43.81	11.49	56.16
2 months	76.88	16.50	99.77
3 months	111.35	20.00	146.28
6 months	229.59	27.50	301.21
9 months	347.08	26.82	457.78
1 year	473.74	25.00	624.15

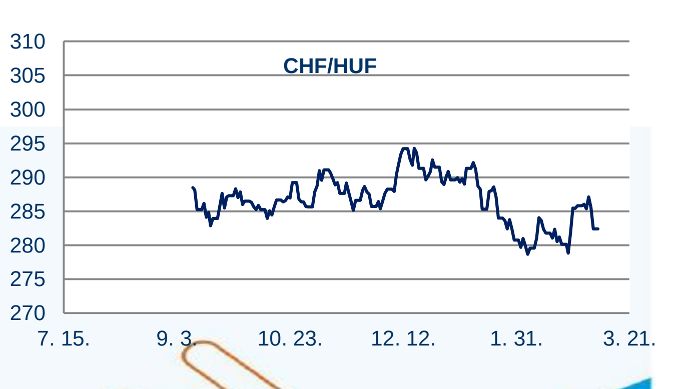
bloomberg forecast			
	EURHUF	USDHUF	EURUSD
Q1 16	312.00	292.50	1.08
Q2 16	312.00	294.00	1.07
Q3 16	311.00	296.00	1.08
Q4 16	312.00	293.50	1.08







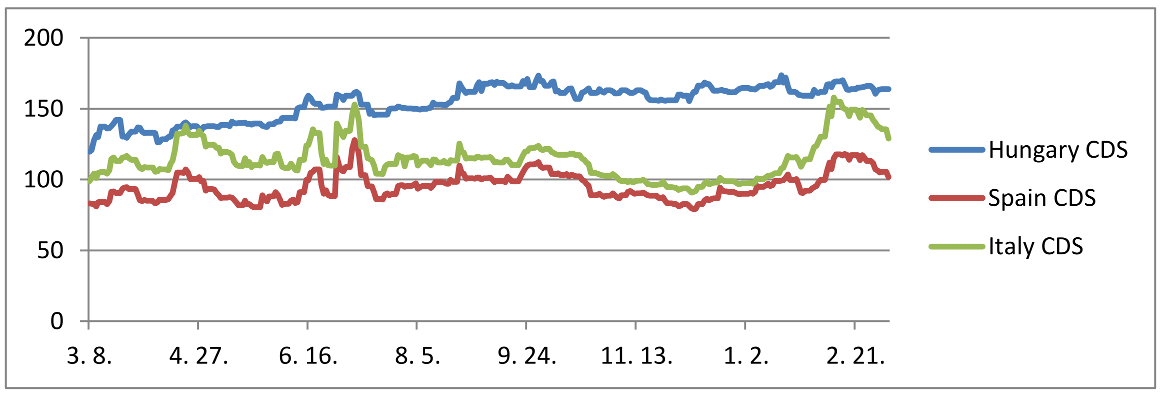




base rates				
	current(%)	last decision	next decision	expected (%)
NBH	1.35	2016.02.23	2016.03.22	1.35
ECB	0.05	2016.01.21	2016.03.10	0.05
SNB	-0.75	2016.03.04	Field Not Applic	n.a.
FED	0.50	2016.03.04	2016.03.16	0.50

government bonds		
tenor	benchmark (%)	change (%)*
6 months	0.94	0.00
3 years	1.85	0.00
10 years	3.28	-0.30
15 years	3.55	-0.28

* Based on opening and closing rates of yesterday



Hungarian 5 year CDS price	
actual value:	163.79
last one year min:	119.82
last one year max:	173.69

interbank offered rates (%)					
	1 day	1 month	3 months	6 months	1 year
USD LIBOR	0.3720	0.4380	0.6335	0.8921	1.1940
CHF LIBOR	-0.7774	-0.8282	-0.8000	-0.7566	-0.6730
BUBOR	1.31	1.35	1.34	1.33	1.3
EURIBOR		-0.2810	-0.2150	-0.1360	-0.0280
EUR LIBOR	-0.2864	-0.2850	-0.2301	-0.1323	-0.0251
EONIA	value date:	2016.03.04	value:	-0.236	

main international stock indices		
index	yesterday close	change (%)*
S&P 500	1 999.99	0.33
Dow Jones	17 006.77	0.37
CAC 40	4 456.62	-0.63
FTSE 100	6 199.43	-0.59
Hang Seng	20 176.70	-0.08
Nikkei 225	17 014.78	-0.61

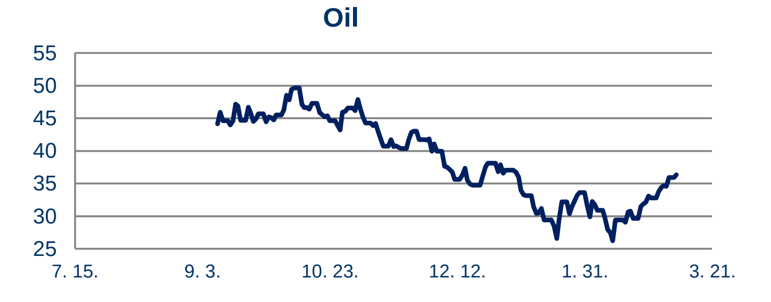
* Based on opening and closing rates of yesterday

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
1.1781	1.1600	1.2025	1.3100	1.4600	1.6300	1.8000	1.9625	2.1075	2.2350
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
-0.1740	-0.1930	-0.1600	-0.0920	-0.0035	0.1035	0.2225	0.3430	0.4569	0.5598

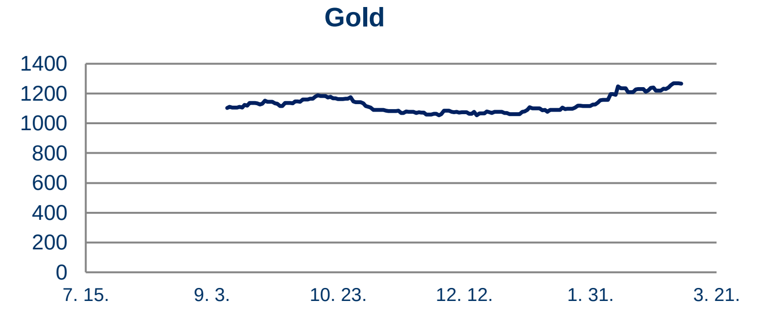
main macro economical data of Hungary				
	last date	y/y	next date	forecast
GDP (%)	2015.12.31	2.95	n.a.	n.a.
CPI (%)	2016.01.31	0.90	2016.03.08	0.4
PPI (%)	2016.01.31	-1.70	2016.03.31	n.a.
indsutrial output (%)	2016.01.31	2.20	2016.03.07	5.4
rate of unemployment (%)	2016.01.31	6.20	2016.03.29	6.5
trade balance (m EUR)	2015.12.31	604.00	2016.03.08	743
current account (EUR)	2015.09.30	6.20	n.a.	n.a.
retail sales (%)	2016.01.31	112.60	n.a.	n.a.

commodity			
	oil* (USD/barrel)	gold (USD/ounce)	copper** (USD/ton)
price	36.32	1 267.39	5 027.50
52 week high	65.71	1 279.95	6 481.00
52 week low	28.74	1 046.43	4 318.00

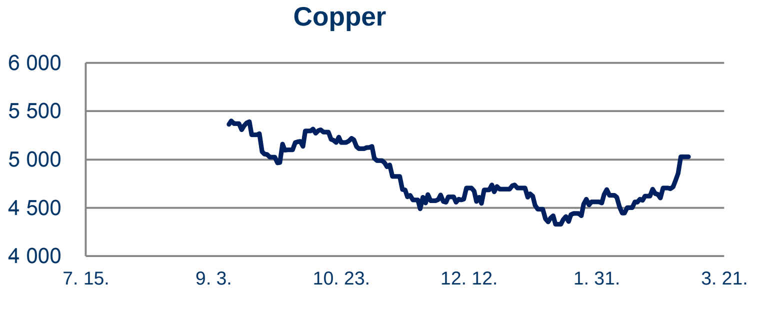
* WTI next expiry ** LME 3-mth forward



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.
indsutrial output (%)	2016.01.31	-0.70	n.a.	n.a.
rate of unemployment (%)	2016.02.29	4.90	2016.04.01	n.a.
trade balance (b USD)	2016.01.31	-45.677	2016.04.05	n.a.
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	1.5
CPI (%)	2016.02.29	-0.20	2016.03.17	n.a.
PPI (%)	2016.01.31	-2.90	2016.04.04	n.a.
indsutrial output (%)	2015.12.31	-1.00	2016.03.14	n.a.
rate of unemployment (%)	2016.01.31	10.30	2016.04.01	n.a.
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 (%)	2016.01.31	2.00	2016.04.05	n.a.



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