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Summary

- Today's most important event will be the ECB Governing Council's rate-setting meeting.
- Optimism ruled European markets yesterday.
- Buyers were omnipresent in the USA too.
- Industrial metals and crude oil had a bad day on Wednesday.

Optimism ruled Europe's markets yesterday, largely because of speculation that in today's meeting of the ECB the Governing Council extends its existing asset purchase programme. The strongest names came from the mining, banking, and car manufacturing sectors – accordingly, ThyssenKrupp (+6.7%) powered the rally in Germany, and ArcelorMittal (+5%) was the brightest star in France.

Buyers outnumbered sellers on US markets too. The Dow (+1.5%) and the S&P500 (+1.3%) closed at record highs again, as they did many times since the US presidential election. The real estate and the telecommunications sectors were the best performers, while health care was the loser of the day.

On Wednesday the European Commission nodded on Microsoft's plan to buy LinkedIn. After the completion of the USD 26 billion deal, LinkedIn will retain its name and corporate culture. Royal Dutch Shell and Iran's national oil company inked an agreement to jointly explore two oil fields and a gas field, Iran's oil ministry informed. This is the second time for a big Western investor to sign a deal in Tehran since lifting the embargo.

In Asia, the best achievement was the 1.5% increase of Japan's Nikkei225. In Hong Kong the Hang Seng upped 0.3%, and mainland China's Shanghai Composite nudged 0.2% down this morning.

The 10Y bond yield sank 3 bps in Germany and five basis points in Italy points yesterday.

The dollar was ailing against the major currencies yesterday, losing 0.3% ground to the EUR (EUR/USD: 1.08) and retreating 0.2% versus the JPY (USD/JPY: 113.8). The Turkish lira strengthened 1.6% vs. the dollar, working off some of the loss suffered in the more-than-two-month continuous weakening (USD/TRY: 3.39).

Crude oil prices fell hand in hand with industrial metals. Brent futures slipped to 53 USD/barrel by the end of the day, and the WTI stood below 50 USD/barrel. The price of copper slipped 0.9%, and that of zinc dropped 0.2%. Silver (+2.5%) outshined other precious metals, including gold (0.4%).

Today's most important event is the ECB Governing Council's meeting, which is expected to change the conditions of the asset purchase programme but leave interest rates on hold..

	Stocks				Bonds				Commodity & FX			
	Product name	Close	Daily change (%)	YTD (%)	Product name	Yield	Daily change*	YTD*	Product name	Close	Daily change (%)	YTD (%)
Global	S&P500	2241,4	1,3	9,7	VIX	12,2	3,6	-33	WTI	49,77	-2,3	34
	DOW	19549,6	1,5	12	US 2Y	1,10	-1,6	4	Brent	53,00	-1,7	42
	Nasdaq100	4851,9	1,3	5,6	US 10Y	2,35	-4,7	7	Gold	1173,9	0,4	11
	DAX	10986,7	2,0	2,3	GER 2Y	-0,68	2,7	-34	Silver	17,10	2,3	24
	CAC40	4694,7	1,4	1,2	GER 10Y	0,35	-2,6	-29	EUR/USD	1,0751	0,3	-1,0
	FTSE 100	6902,2	1,8	11	PT10Y	3,52	-12,3	98	EUR/GBP	0,8526	0,9	16
	FTSE MIB	18130,7	2,1	-15	IT 10Y	1,91	-5,3	31	EUR/NOK	8,9933	-0,2	-6,3
	Stoxx600	347,7	0,9	-5	SP 10	1,43	-7,0	-35	USD/CAD	1,3228	-0,4	-4,4
	- Banks	136,8	2,8	-8	iTRAXX	74,0	-0,7	-4	AUD/USD	0,7479	0,3	2,8
	Nikkei 225	18765,5	1,5	-1	JPY 2Y	-0,18	0,5	-17	USD/JPY	113,75	-0,2	-5
SSEC	3212,4	-0,3	-9	JPY 10Y	0,05	1,0	-23	GBP/USD	1,2620	-0,4	-14	
Regional	RTS	1066,8	0,6	41	RUS10	8,62	-0,8	-11	USD/RUB	63,199	-1,0	-13
	WIG20	1889,5	0,7	1,6	POL 10	3,54	-2,5	20	EUR/PLN	4,4262	-0,6	4,0
	PX50	894,2	-0,1	-6,5	CZ10	0,56	-0,9	-6	EUR/RON	4,4942	-0,1	-0,5

* In the case of bond yields, the change is in basispoint instead of percentage (VIX and ITRAXX not included).

Data	Cd.	Event/Data	Period	Fact	Cons.	Prev.
2016. 12. 5.	9 : 00 HU	Retail sales (first estimate, yoy, %)	Oct.	2,6	-	5,1
	10 : 30 EZ	Sentix Investor confidence (point)	Dec.	10,0	13,0	13,1
	10 : 30 EZ	Eurogroup meeting	Dec.			
	11 : 00 EZ	Retail sales (mom, %)	Oct.	1,1	0,7	-0,4
	16 : 00 US	ISM non-Manufacturing PMI (point)	Nov.	57,2	55,3	54,8
6.	8 : 00 DE	Industrial orders (mom, %)	Oct.	4,9	0,5	-0,6
	9 : 00 CZ	Retail sales (yoy, %)	Oct.	2,0	-	4,7
	9 : 00 HU	Industrial production (preliminary, yoy, %)	Oct.	-2,1	-	-3,7
	9 : 00 HU	GDP (detailed, yoy, %)	Q3	2,2	-	2,0*
	9 : 00 RO	GDP (detailed, yoy, %)	Q3	4,4	-	6,0
	9 : 00 SK	GDP (detailed, yoy, %)	Q3	3,0	-	3,8
	11 : 00 EZ	GDP (revision, yoy, %)	Q3	1,7	1,6	1,6*
	11 : 00 EZ	GDP (revision, qoq, %)	Q3	0,3	0,3	0,3*
	16 : 00 US	Factory orders (mom, %)	Oct.	2,7	2,2	0,3
	0 0 EU	ECOFIN Meeting	Dec.			
7.	8 : 00 DE	Industrial production (mom, %)	Oct.	0,3	0,8	-1,8
	9 : 00 HU	International reserves (final, billion EUR)	Oct.	25,0	-	25,0
	10 : 30 UK	Industrial production (mom, %)	Oct.	-1,3	0,2	-0,4
	11 : 00 HU	Fiscal balance (monthly, billion HUF)	Nov.	2,0	-	59,7
	11 : 30 PL	Interest rate decision (%)	Dec.	1,5	1,5	1,5
8.	0 : 50 JP	GDP (revision, annualized qoq, %)	Q3	1,3	2,4	2,2
	3 : 00 CN	Import (yoy, %)	Nov.	6,7	-1,3	-1,4
	3 : 00 CN	Export (yoy, %)	Nov.	0,1	-5,0	-7,3
	9 : 00 HU	CPI (yoy, %)	Nov.		-	1,0
	9 : 00 HU	core-CPI (yoy, %)	Nov.		-	1,4
	9 : 00 HU	Current account (preliminary, monthly, million EUR)	Oct.		-	1005
	13 : 45 EZ	ECB Interest rate decision (lending rate, %)	Dec.		0,0	0,0
	13 : 45 EZ	ECB Interest rate decision (deposit rate, %)	Dec.		-0,4	-0,4
9.	8 : 00 DE	Export (mom, %)	Oct.		1,0	-0,7
	16 : 00 US	Wholesale inventories (revision, mom, %)	Oct.		0,2	-0,4*
	16 : 00 US	Michigan Consumer confidence (preliminary, point)	Dec.		94,0	93,8

*Preliminary data

Source: Reuters, OTP Research

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