

The background of the cover features a complex financial market chart with multiple data series. It includes candlestick patterns, line graphs, and various numerical values such as 1.7765, 1.7855, 1.7900, 11.12, 14.56, and 19.00. The chart is overlaid with a grid and has a blue and red color scheme.

FX & Markets Weekly

Week 3/2019

Mag. Ahmet Hüsrev BILGIN
Chief Economist
Vienna, Austria



Lira gains after central bank holds rate

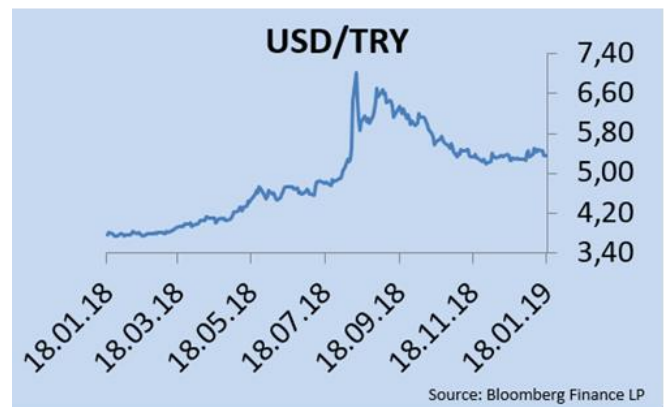
This week, Central Bank of Turkey kept its 1-week repo rate unchanged at 24%, and pledged to tighten further should it be necessary. Following the latest inflation release (CPI down to 20,3%, after peaking in October at 25,24%) rate cut speculation weakened the TRY. But the hawkish stance of the central bank reversed that. “While developments in import prices and domestic demand conditions have led to some improvement in the inflation outlook, risks to price stability continue to prevail.” “Inflation expectations, pricing behaviour, lagged impact of recent monetary policy decisions, contribution of fiscal policy to rebalancing process, and other factors affecting inflation will be closely monitored and, if needed, further monetary tightening will be delivered.” Focus turns to inflation report to be released towards month end. Week over week, TRY is up 2,5% against EUR and 1,93% versus USD.

Theresa May’s Brexit deal rejected by Parliament

Theresa May lost the vote on her Brexit deal in Parliament, but won the subsequent no-confidence vote. House of Commons is scheduled to vote on various Brexit options on January 29. GBP gained against all G10 currencies this week. But FTSE100 was the only stock market index that dropped this week, among all Europe, U.S., Asia/Pacific and Emerging Markets indices.

U.S. partial government shutdown continues

President Donald Trump and House Speaker Nancy Pelosi are engaged in personal embarrassment, instead of negotiating over ending the shutdown, now in its 28th day, and the longest on record. Following Pelosi’s suggestion that Trump reschedule his State of the Union address, the President on Thursday denied her a military plane for an unannounced trip to visit U.S. troops in Afghanistan. We will be monitoring the preliminary print of January’s University of Michigan consumer sentiment survey on Friday for early signs of macro-economic impact.



DenizBank AG

Economic Research and Development

Exchange Rates	Price as of 01/18/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
EUR/USD	1,1392	-0,67	0,28	-0,70
EUR/TRY	6,0963	-2,81	0,18	-5,77
EUR/CHF	1,1325	0,37	0,37	-0,73
EUR/GBP	0,8813	-1,34	-2,02	0,18
EUR/JPY	124,72	0,27	-2,45	-3,04
EUR/RUB	75,4981	-1,61	-1,07	0,14
EUR/CNY	7,7228	-0,47	-1,53	-3,23
USD/TRY	5,3513	-2,09	-0,03	-4,96
USD/JPY	109,47	0,97	-2,72	-2,35
USD/RUB	66,2729	-0,93	-1,35	0,82
USD/CNY	6,7788	0,23	-1,69	-2,29

Sovereign Bonds 10Y	Price as of 01/18/2019	Change % 5 days	Change % 1 Month	Ask YTM
Austria	103,71	0,00	0,32	0,26
Belgium	104,54	0,19	0,42	0,38
China	96,78	0,25	2,06	3,05
EFSF	111,53	0,01	-0,23	-0,29
ESM	110,35	0,00	-0,04	-0,03
France	99,13	0,13	0,48	0,36
Germany	100,21	-0,16	0,26	-0,03
Greece	97,68	0,77	1,44	4,21
Japan	101,74	0,00	0,08	-0,13
Portugal	111,85	0,74	0,20	1,21
Spain	102,12	0,74	0,24	1,01
Russia	100,45	0,70	3,07	8,23
Switzerland	112,17	-0,19	0,09	-0,40
Turkey	85,20	3,56	8,07	15,46
UK	102,45	-0,47	-0,69	1,16
US	95,00	-0,51	0,41	2,72

Turkey related	Price as of 01/18/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
TRY Basket	5,7239	-2,75	0,10	-5,39
WAC of CBRT (T-1)	24,00	0,00	0,00	0,00
Gold TRY / gram	220,76	-2,68	2,64	-0,73
TR Gov. B. 2Y yield	18,19	-3,96	-14,32	-29,50

Euribor/Eonia	Price as of 01/18/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
Eonia (T-1)	-0,369	-0,82	-1,37	0,54
Euribor 1 Month	-0,368	-0,82	0,27	0,27
Euribor 3 Month	-0,308	0,00	0,97	2,84
Euribor 6 Month	-0,235	0,42	1,26	11,32
Euribor 12 Month	-0,116	0,86	7,20	25,16

EUR Libor	Price as of 01/18/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
EUR Libor O/N	-0,466	-0,25	-1,97	-2,38
EUR Libor 1M	-0,418	0,07	0,07	-4,57
EUR Libor 3M	-0,340	-3,52	2,74	3,37
EUR Libor 6M	-0,296	0,29	6,07	9,32
EUR Libor 12M	-0,176	-2,24	17,77	16,48

Commodities Energy Futures	Price as of 01/18/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
WTI crude	52,65	1,98	12,90	-23,49
BRENT crude	61,80	2,12	9,83	-21,28
GAS oil	569,25	-0,04	7,21	-19,18
Heating oil	189,04	0,50	8,12	-17,71
Natural gas	3,25	4,84	-13,17	0,06
Gold Spot	1 283,20	-0,60	2,67	4,45
Silver Spot	15,40	-1,32	5,04	5,37
Platinum Spot	803,92	-0,77	1,20	-3,07
Palladium Spot	1 378,74	4,39	10,06	28,67
Copper	270,35	1,50	1,41	-2,35

Stock Indices	Price as of 01/18/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
ATX	2 973	2,40	2,94	-8,84
BIST 100	98 359	7,33	8,05	0,97
CAC 40	4 876	1,99	2,58	-4,69
DAX	11 150	2,43	3,83	-3,77
Dow Jones	24 528	1,53	2,93	-3,98
Euro Stoxx 50	3 126	1,84	2,84	-2,65
FTSE 100	6 966	0,67	3,92	-0,89
HANG SENG	27 091	1,59	4,95	6,43
IBEX 35	9 055	1,98	4,05	1,84
MOEX	2 462	0,64	4,68	3,43
NASDAQ 100	6 759	1,47	3,50	-5,59
NIKKEI 225	20 666	2,49	-2,13	-8,79
S&P 500 (T-1)	2 636	1,51	3,53	-4,80

Interest Rate Futures	Price as of 01/18/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
Bobl	132,70	-0,03	0,31	1,05
Bund	164,11	-0,16	0,49	2,42

Risk Sentiment	Price as of 01/18/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
Baltic Dry Index	1077	-7,87	-22,80	-31,18
VIX	17,37	-3,90	-31,67	-12,86
Turkey 5Y CDS (T-1)	350,856	-5,85	-7,14	-10,50
MSCI EM Index (T-1)	1 008,99	0,79	4,78	3,92

USD Libor	Price as of 01/18/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
USD Libor O/N	2,384	-0,23	9,34	9,84
USD Libor 1M	2,506	-0,12	1,45	9,93
USD Libor 3M	2,761	-0,94	-1,11	11,83
USD Libor 6M	2,852	-0,45	-0,85	5,86
USD Libor 12M	3,030	0,38	-1,02	0,99

TRY Libor	Price as of 01/18/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
TRY Libor O/N	24,210	0,09	-0,21	-2,44
TRY Libor 1M	24,572	0,00	-0,39	-7,73
TRY Libor 3M	24,628	0,00	-0,16	-14,20
TRY Libor 6M	24,640	-0,07	-0,19	-15,16
TRY Libor 12M	24,686	0,00	0,06	-17,54

DenizBank AG

Economic Research and Development

Date	Country	Economic Release	Period	Consensus	Actual	Prior
01/11/2019 14:30	US	CPI MoM	Dec	-0.1%	-0.1%	0.0%
01/11/2019 14:30	US	CPI Ex Food and Energy MoM	Dec	0.2%	0.2%	0.2%
01/11/2019 14:30	US	CPI YoY	Dec	1.9%	1.9%	2.2%
01/11/2019 14:30	US	CPI Ex Food and Energy YoY	Dec	2.2%	2.2%	2.2%
01/11/2019 14:30	US	Real Avg Weekly Earnings YoY	Dec	1.2%	1.2%	0.5%
01/11/2019 14:30	US	Real Avg Hourly Earning YoY	Dec	--	1.1%	0.8%
01/15/2019 14:30	US	Empire Manufacturing	Jan	10.0	3.9	10.9
01/15/2019 14:30	US	PPI Final Demand MoM	Dec	-0.1%	-0.2%	0.1%
01/15/2019 14:30	US	PPI Final Demand YoY	Dec	2.5%	2.5%	2.5%
01/16/2019 13:00	US	MBA Mortgage Applications	Jan 11	--	13.5%	23.5%
01/16/2019 14:30	US	Import Price Index MoM	Dec	-1.3%	-1.0%	-1.6%
01/16/2019 14:30	US	Import Price Index ex Petroleum MoM	Dec	0.0%	0.3%	-0.3%
01/16/2019 14:30	US	Import Price Index YoY	Dec	-0.8%	-0.6%	0.7%
01/16/2019 14:30	US	Export Price Index MoM	Dec	-0.7%	-0.6%	-0.9%
01/16/2019 14:30	US	Export Price Index YoY	Dec	--	1.1%	1.8%
01/16/2019 16:00	US	NAHB Housing Market Index	Jan	56	58	56
01/17/2019 14:30	US	Philadelphia Fed Business Outlook	Jan	9.0	17.0	9.4
01/17/2019 14:30	US	Initial Jobless Claims	Jan 12	220k	213k	216k
01/17/2019 14:30	US	Continuing Claims	Jan 5	1734k	1737k	1722k
01/18/2019 15:15	US	Industrial Production MoM	Dec	0.2%	0.3%	0.6%
01/18/2019 15:15	US	Capacity Utilization	Dec	78.5%	78.7%	78.5%
01/18/2019 15:15	US	Manufacturing (SIC) Production	Dec	0.3%	1.1%	0.0%
01/14/2019 11:00	EA	Industrial Production SA MoM	Nov	-1.5%	-1.7%	0.2%
01/14/2019 11:00	EA	Industrial Production WDA YoY	Nov	-2.1%	-3.3%	1.2%
01/15/2019 11:00	EA	Trade Balance SA	Nov	12.6b	15.1b	12.5b
01/15/2019 11:00	EA	Trade Balance NSA	Nov	--	19.0b	14.0b
01/17/2019 11:00	EA	Construction Output MoM	Nov	--	-0.1%	-1.6%
01/17/2019 11:00	EA	Construction Output YoY	Nov	--	0.9%	1.8%
01/17/2019 11:00	EA	CPI Core YoY	Dec F	1.0%	1.0%	1.0%
01/17/2019 11:00	EA	CPI MoM	Dec	0.0%	0.0%	-0.2%
01/17/2019 11:00	EA	CPI YoY	Dec F	1.6%	1.6%	1.6%
01/18/2019 10:00	EA	ECB Current Account SA	Nov	--	20.3b	23.0b
01/11/2019 08:00	TR	Current Account Balance	Nov	0.90b	0.99b	2.77b
01/14/2019 08:00	TR	Industrial Production MoM	Nov	0.2%	-0.3%	-1.9%
01/14/2019 08:00	TR	Industrial Production YoY	Nov	-5.4%	-6.5%	-5.7%
01/15/2019 08:00	TR	Unemployment Rate	Oct	11.4%	11.6%	11.4%
01/15/2019 09:00	TR	Central Gov't Budget Balance	Dec	--	-18.1b	7.6b
01/16/2019 08:00	TR	Home Sales (YoY)	Dec	--	2.9%	-27.0%
01/16/2019 12:00	TR	One-Week Repo Rate	Jan 16	24.00%	24.00%	24.00%
01/17/2019 12:30	TR	Foreigners Net Bond Invest	Jan 11	--	-\$142m	-\$102m
01/17/2019 12:30	TR	Foreigners Net Stock Invest	Jan 11	--	\$115m	-\$83m
01/17/2019 12:30	TR	House Price Index YoY	Nov	--	10.48%	11.30%
01/17/2019 12:30	TR	House Price Index MoM	Nov	--	0.37%	1.72%

Should you have any queries, please contact me as follows:

Mag. Ahmet Hüsrev BILGIN, Chief Economist, DenizBank AG

Tel: 0505105/2430

Email: ahmet.bilgin@denizbank.at

Disclaimer:

This publication was prepared by DenizBank AG exclusively for marketing purposes as a marketing communication pursuant to Article 36 paragraph 2 of the Commission Delegated Regulation (EU) 2017/565 of 25 April 2016. The information contained in this report is based on the knowledge of the various authors at the time the various texts were finalised for publication. DenizBank AG reserves the right to amendments or additions in this regard at any time without prior notice. The contents of this newsletter are protected by intellectual property rights – especially copyright. The use of texts, parts of texts or image material or the reproduction of information or data requires the prior written consent of DenizBank AG. We have carefully checked the information in this report and have prepared it to our best knowledge and judgement. However, DenizBank AG does not assume any liability whatsoever for the accuracy, completeness or up-to-datedness of the information contained in this report and/or for the realisation of the forecasts made therein. This applies likewise for all other websites accessed via links contained within this report. The main source was the following: Bloomberg Finance LP. Every investment decision must be made in accordance with the personal circumstances of the investor. This report is intended for customers who are able to make their investment decisions independently and who do not solely rely on information provided by DenizBank AG. This report is non-binding and does not constitute an offer to purchase/sell the products named nor is it an investment research pursuant to Article 36 paragraph 1 of the Commission Delegated Regulation (EU) 2017/565 of 25 April 2016.

Website credits and disclosures made in accordance with Sections 24 and 25 Media Act:

Media content owner: DenizBank AG (FN 142199 t, Commercial Court of Vienna),

Thomas-Klestil-Platz 1, 1030 Vienna;

Registered address of the company: Vienna;

DPR number: 0845981

Object of the company: Banking;

Members of the Management Board:

Ahmet Mesut Ersoy, Mehmet Ulvi Taner, Tuncay Akdevelioglu, Cenk Izgi, Bernhard Achberger;

Members of the Supervisory Board:

Hakan Ates, Derya Kumru, Wouter van Roste, Timur Kozintsev, Ruslan Abil, Pavel Barchugov, Hayri Cansever, Dzhangir Dzhangirov, Döne Yalcin, Bernhard Raberger;

Shareholder structure: Member of the Sberbank Group

Purpose of document: This report summarises the significant developments within the financial markets over the previous week and comments on their underlying background.