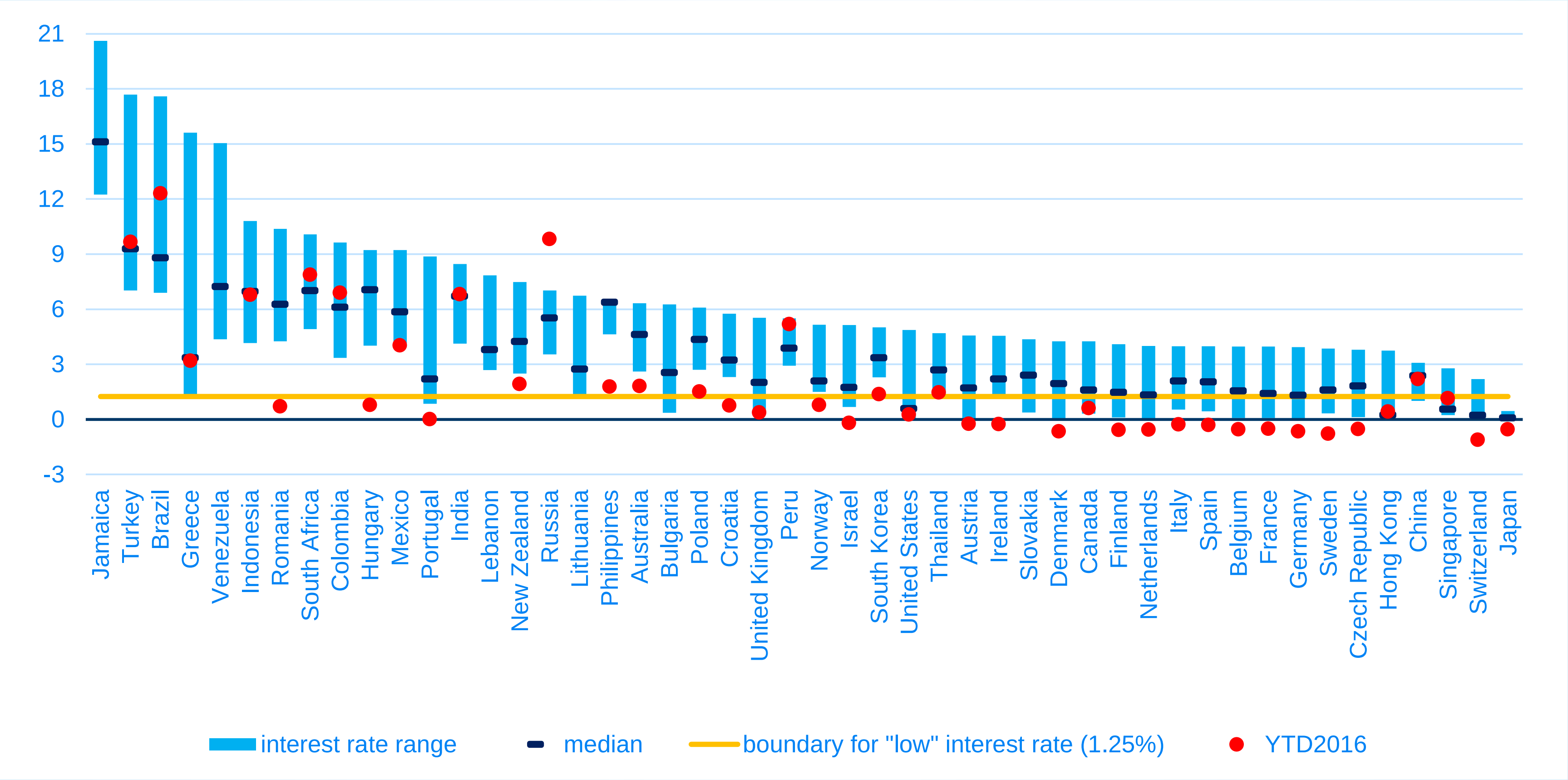
challenge

- Dávid Németh
- chief economist
- 20. October 2016.

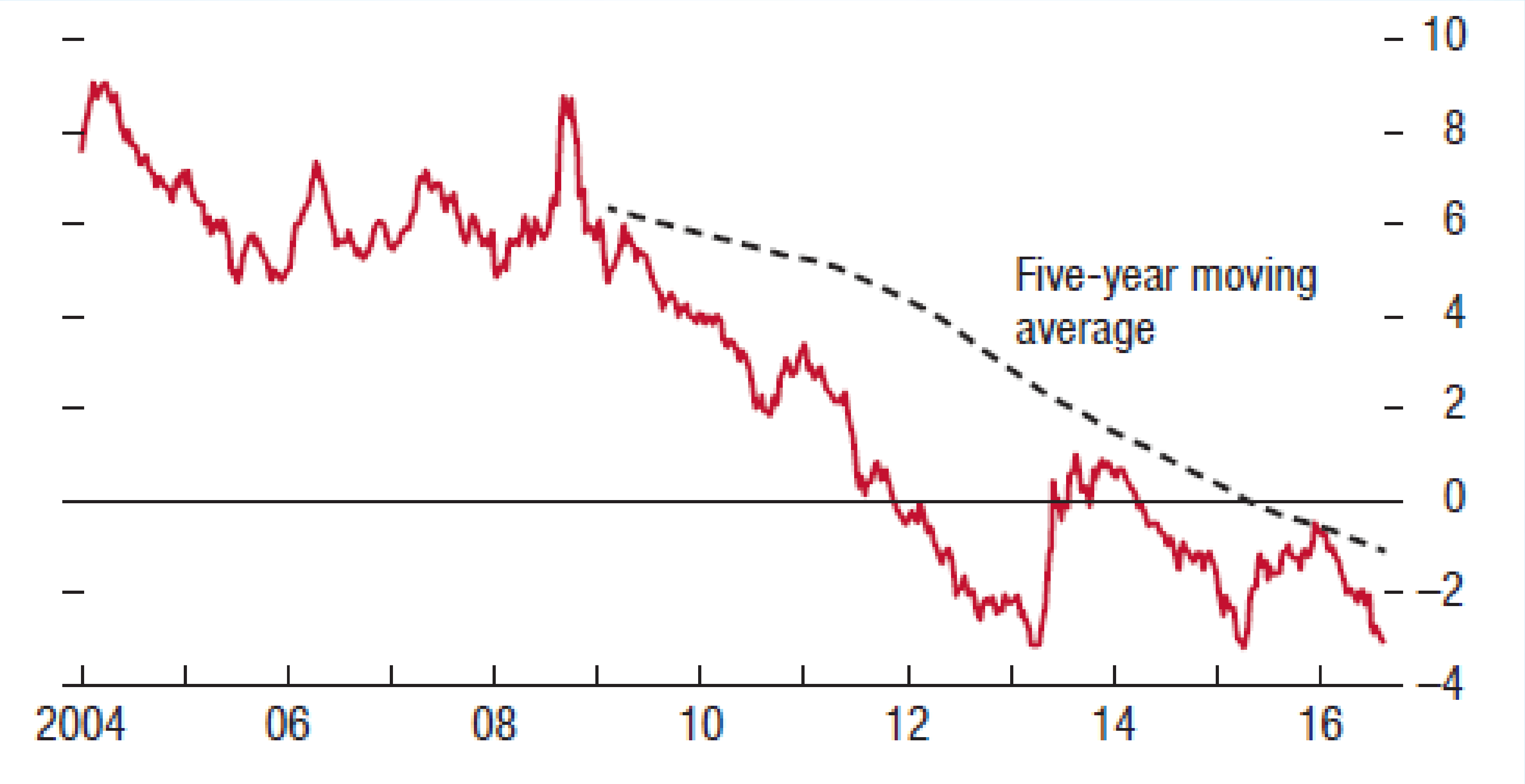
"The hard hats? In case of falling interest rates."

range of 3-month sovereign yields

(between 2005 and 2013 and in 2016)

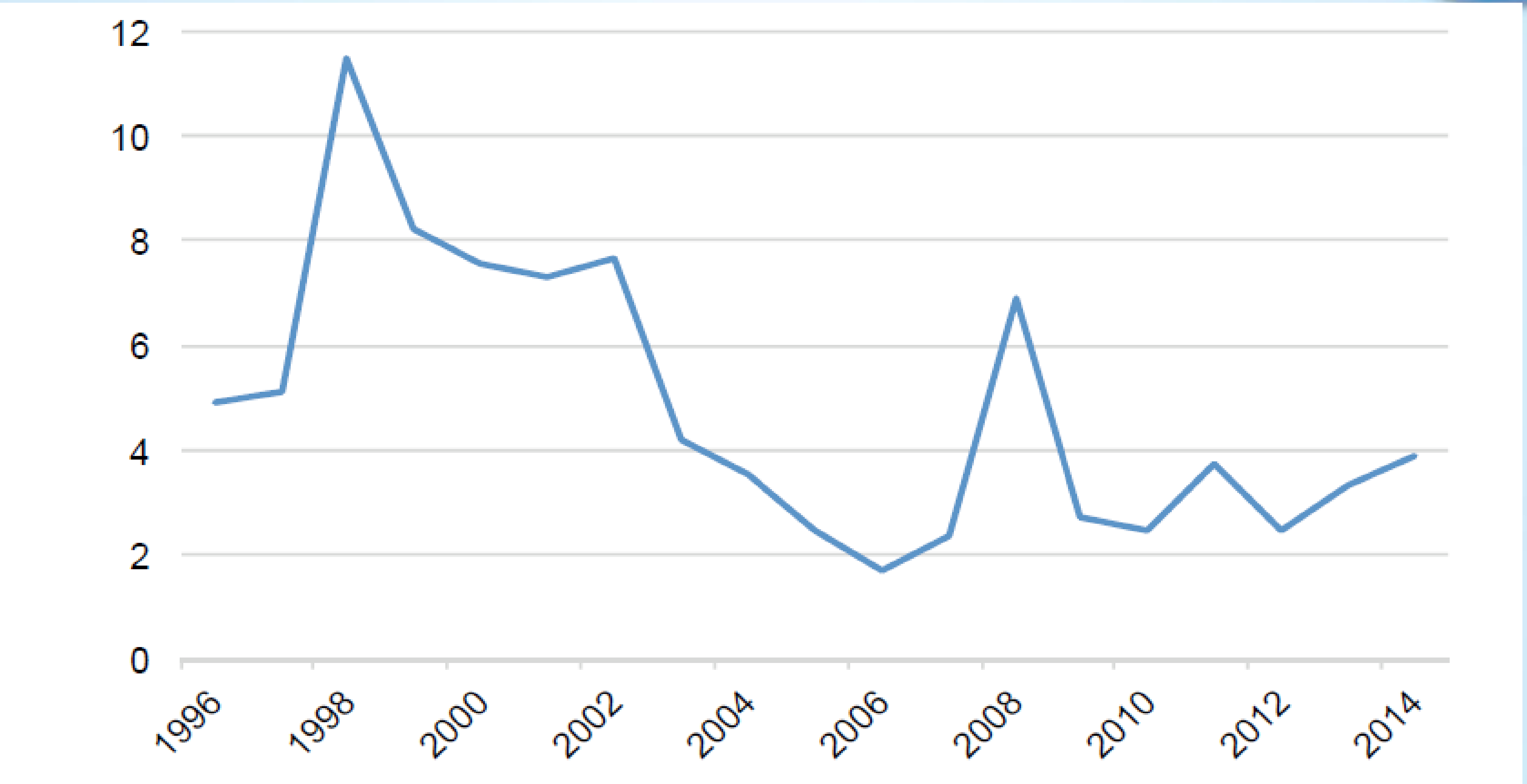


global real rates (%)



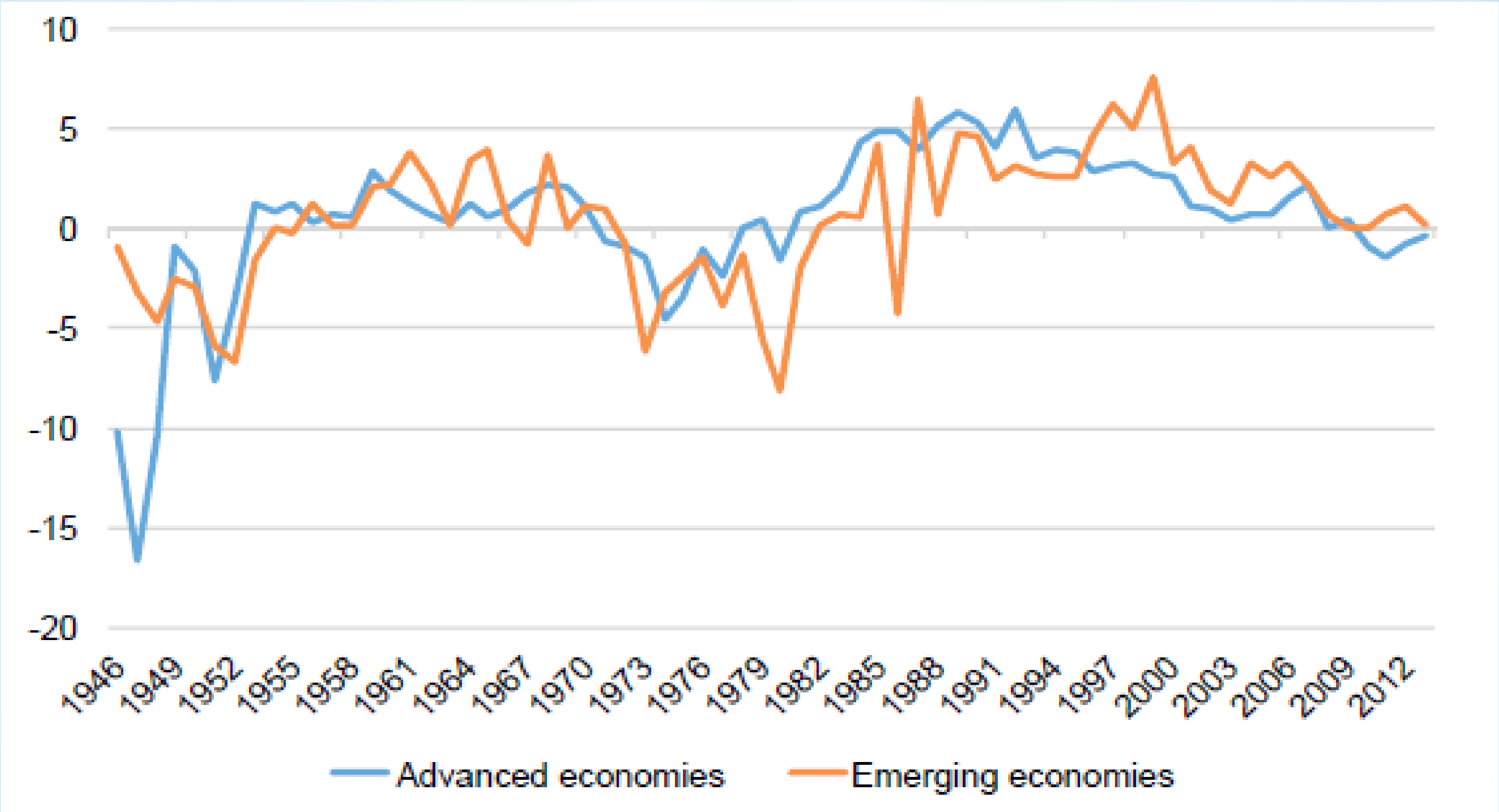
source: Barclays and IMF estimation

emerging economies’ sovereign credit spread



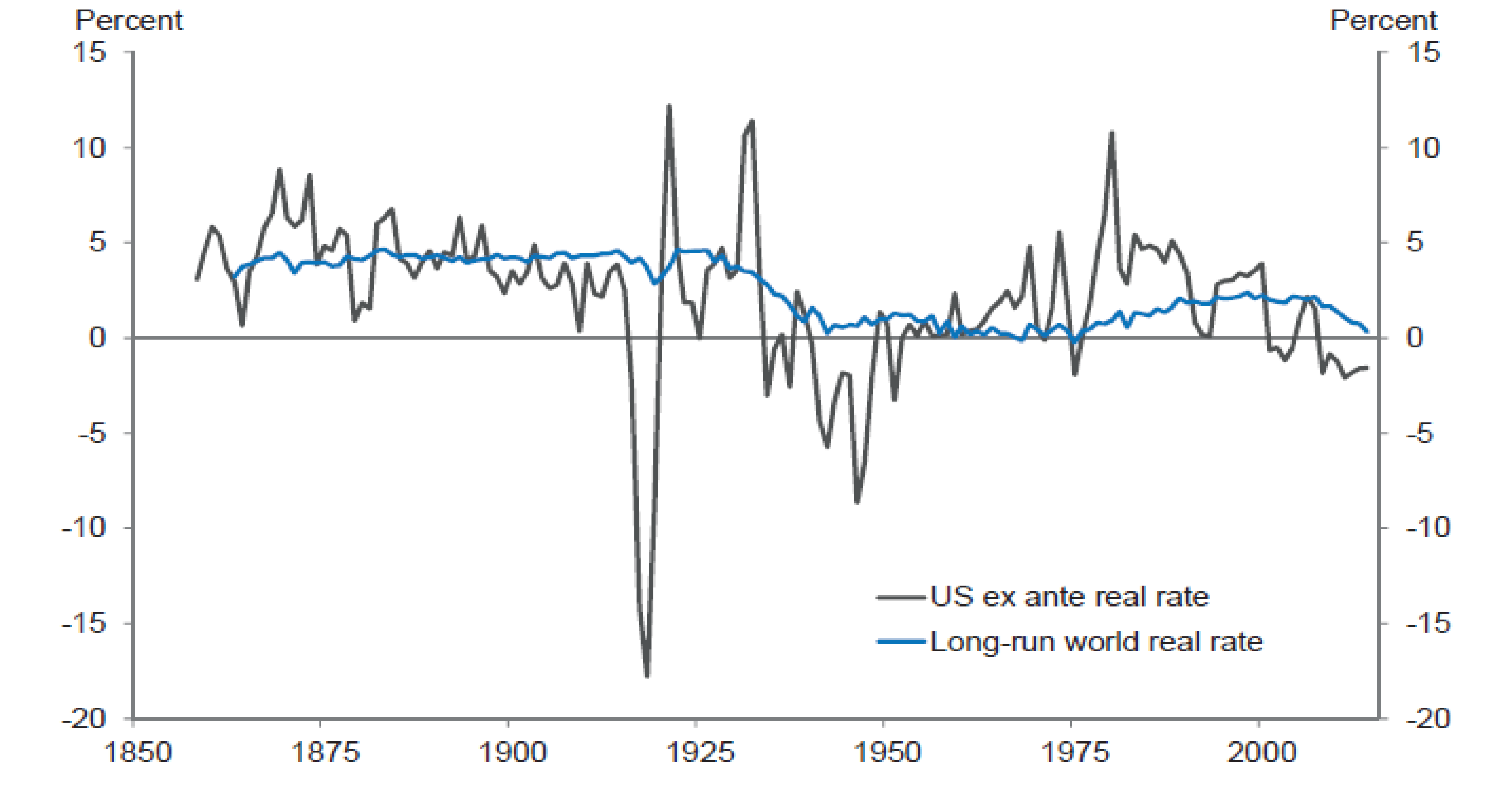
source: J.P. Morgan

average real treasury-bill rates



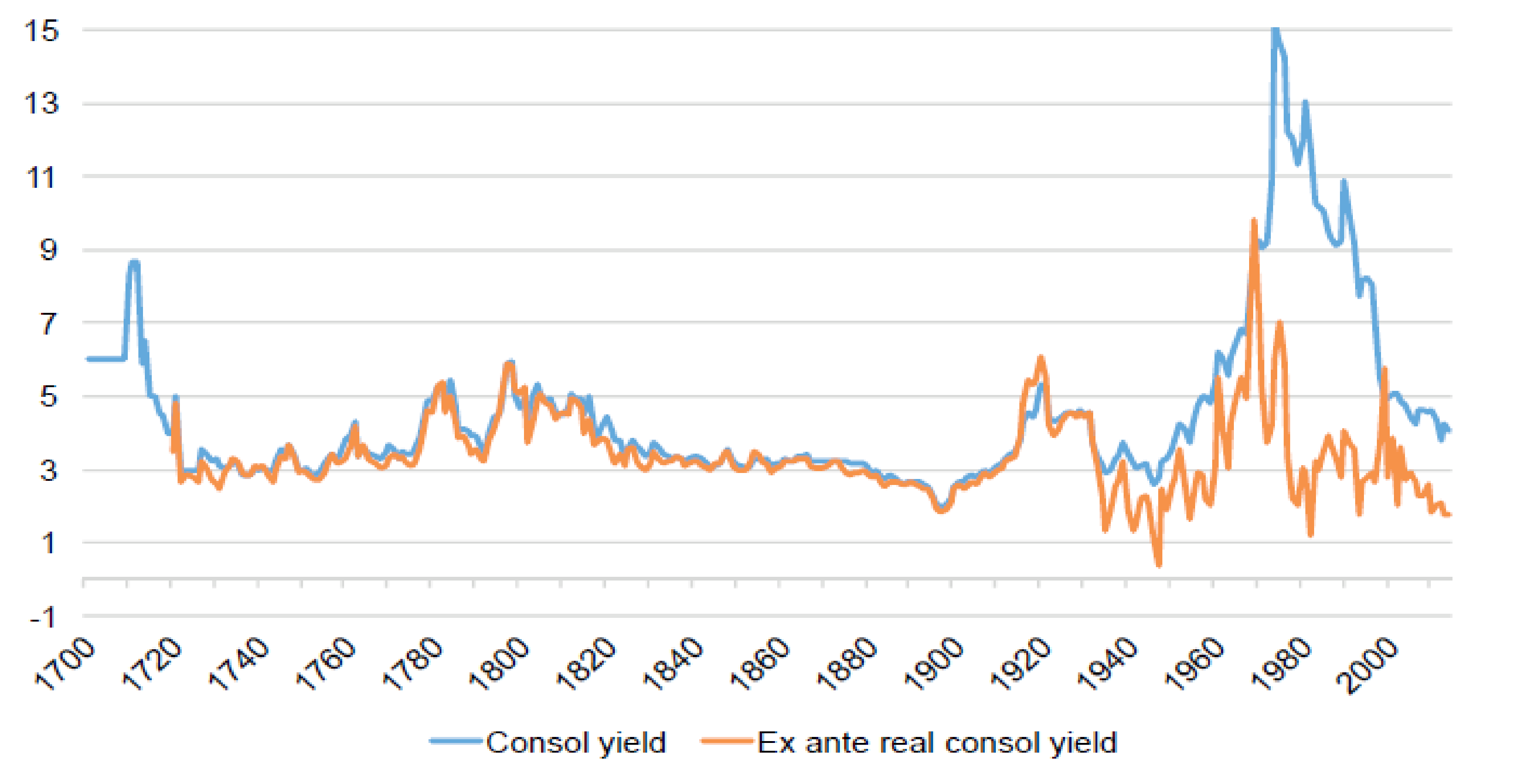
source: Reinhart and Sbrancia (2014)

estimates of US short-term and long-run world real interest rate



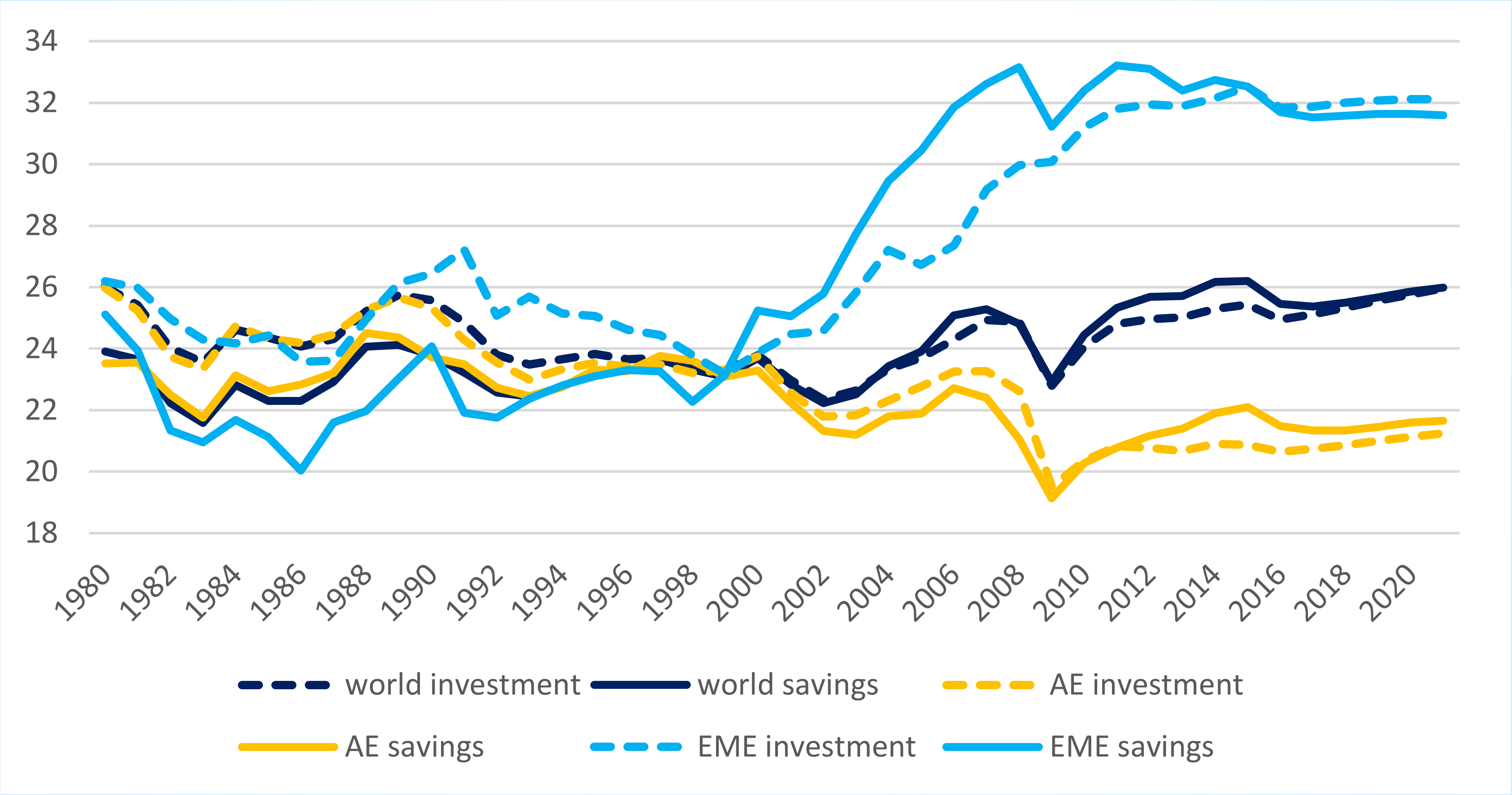
source: Hamilton et al. (2015)

300 years of UK nominal and long-term yields

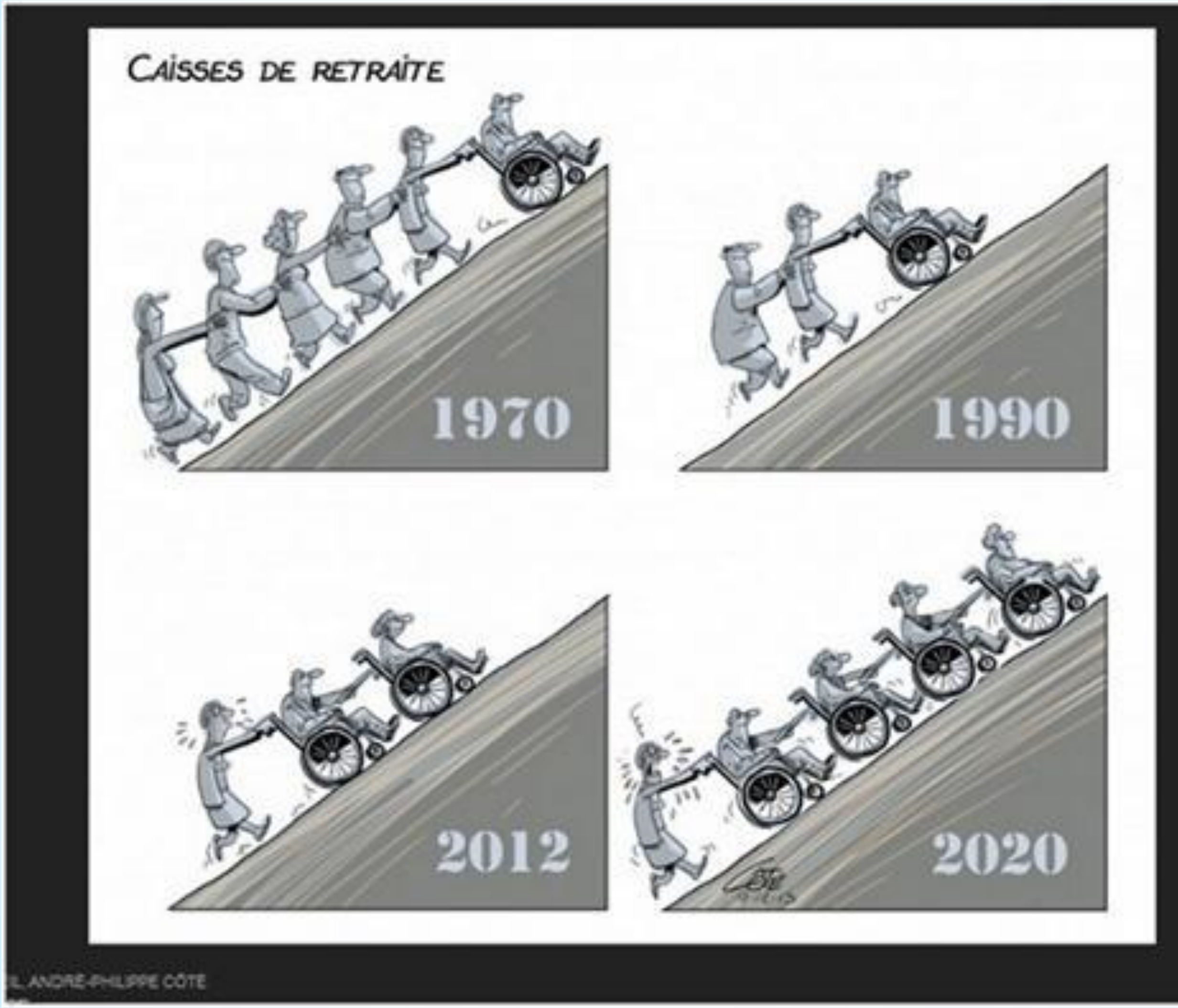


source: Bank of England Historical database

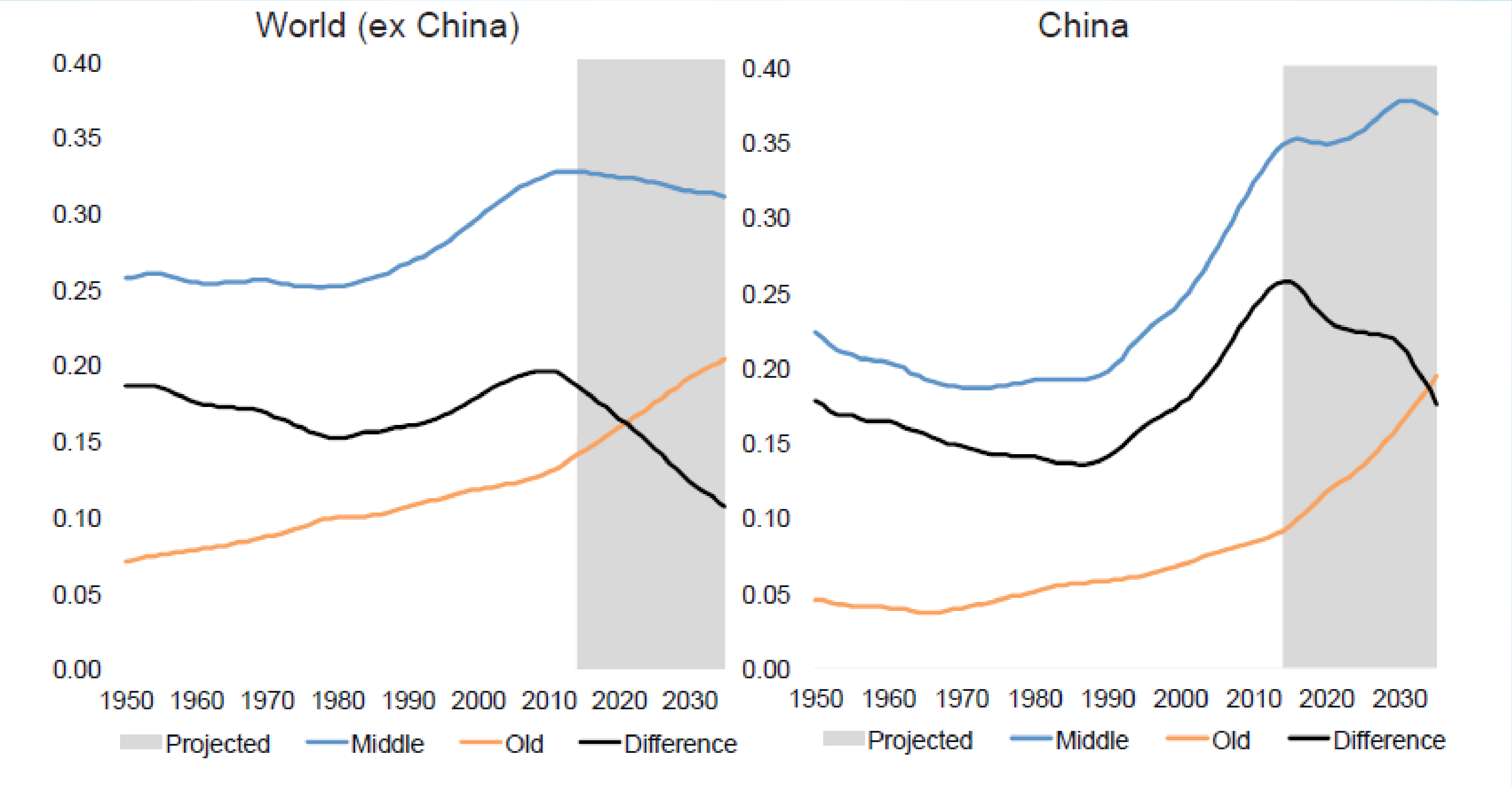
savings and investment shares (% of GDP)



source: IMF


CAISSES DE RETRAITE
1970
1990
2012
2020
ANDRÉ-PHILIPPE CÔTE

population development
(middle=40-64 years; old=65+ years)

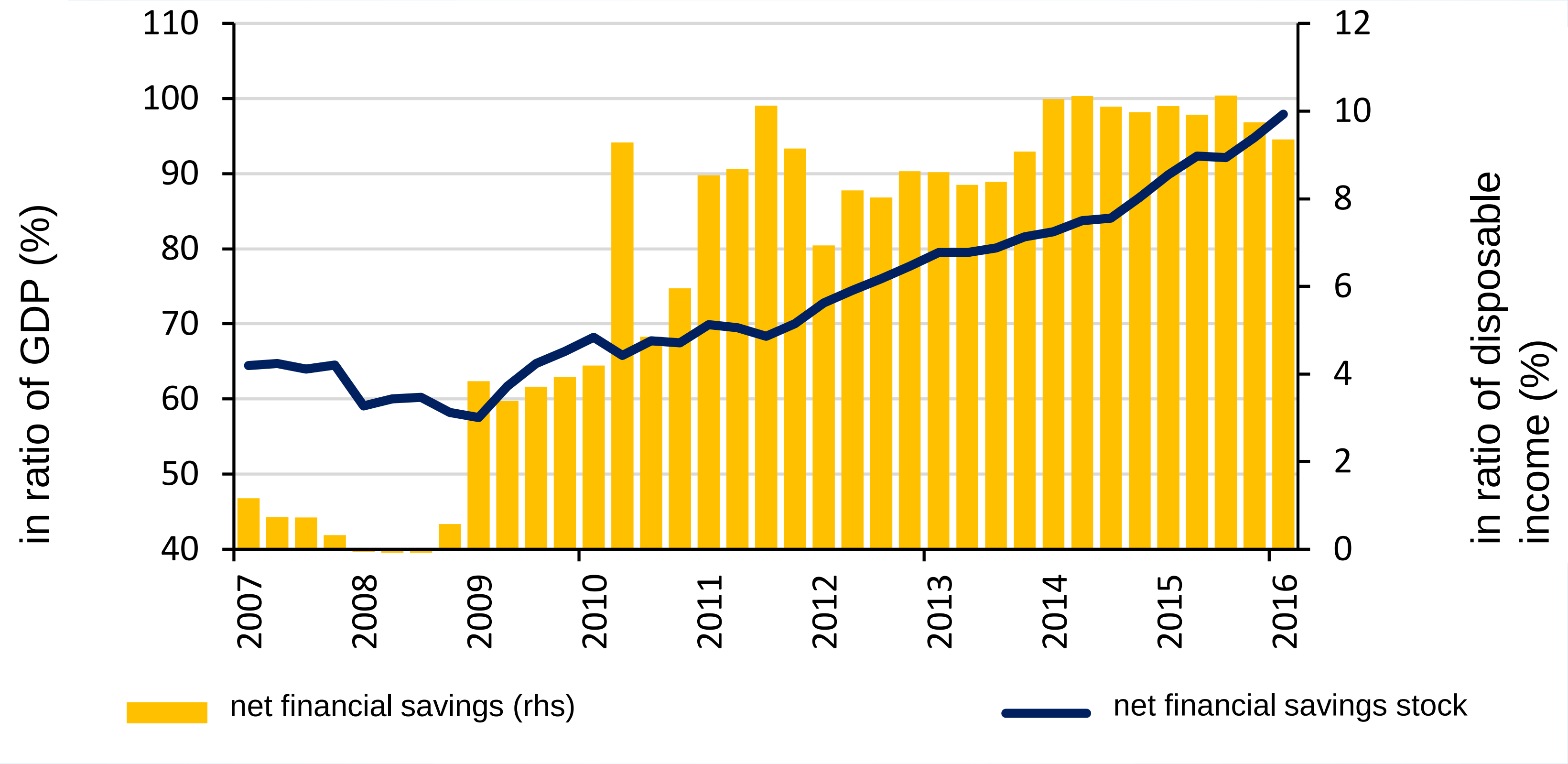


source: United Nation

demographic pressure on savings

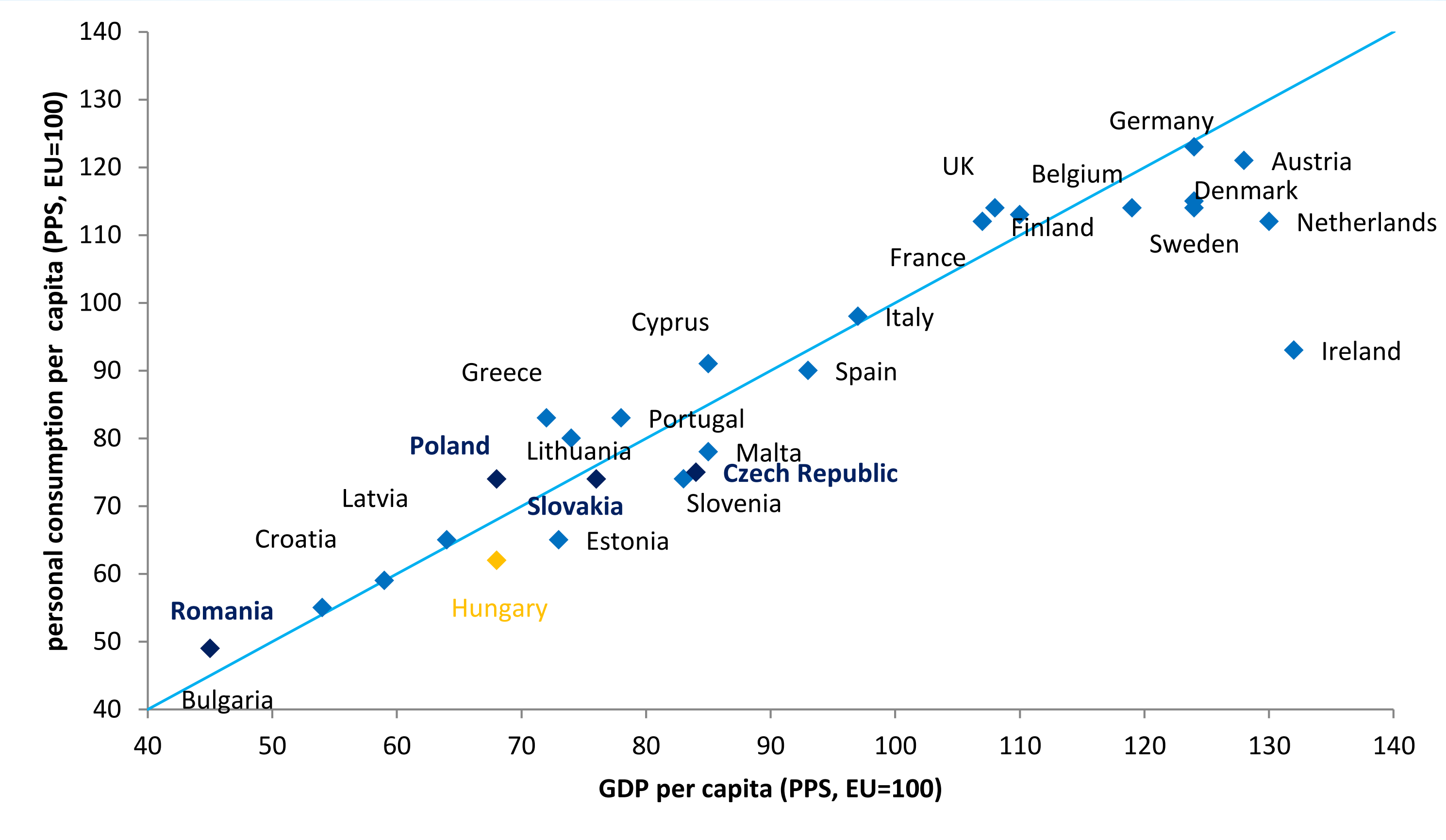
source: United Nation, IMF

still on the save side in Hungary

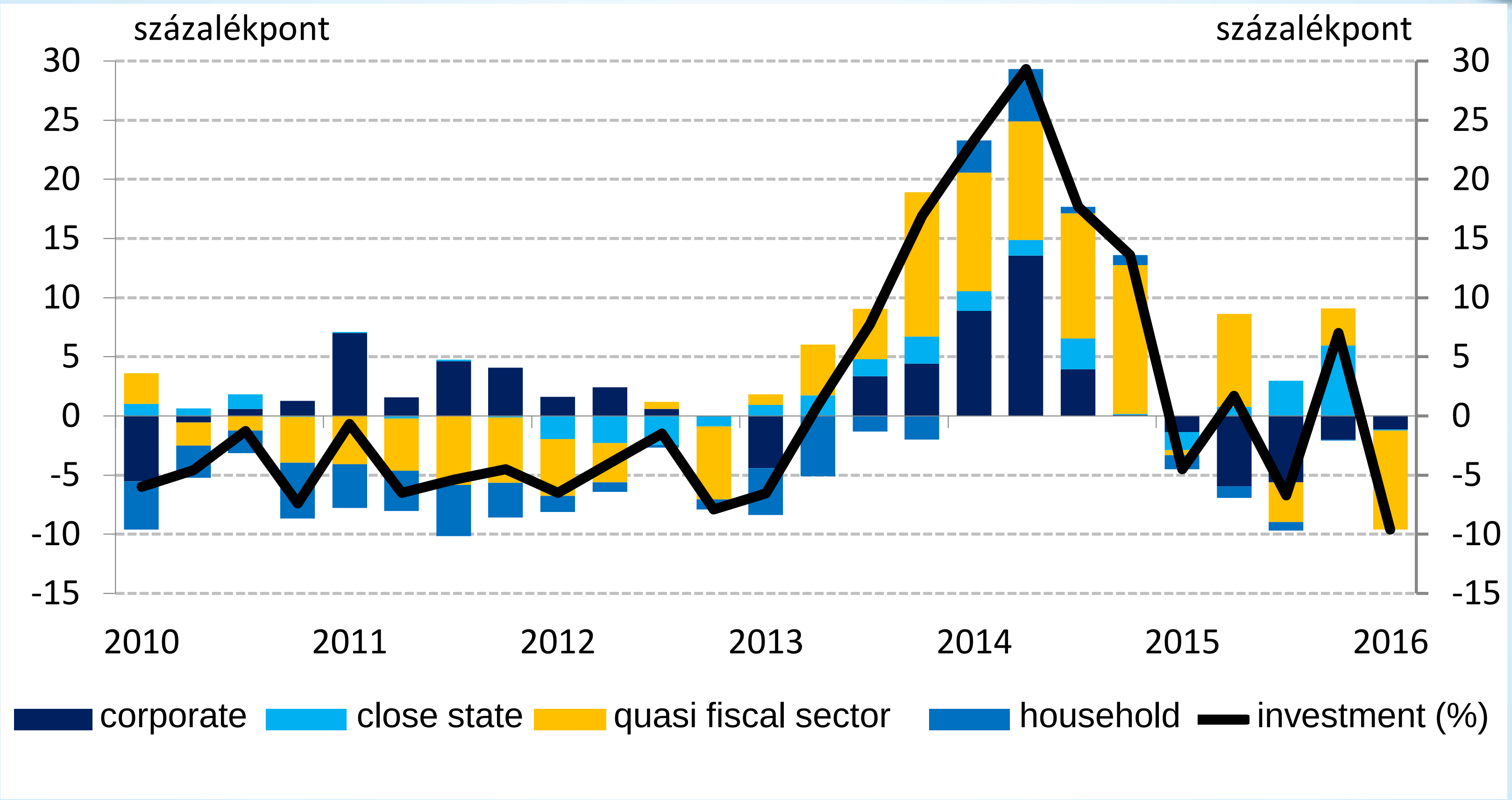


forrás: MNB

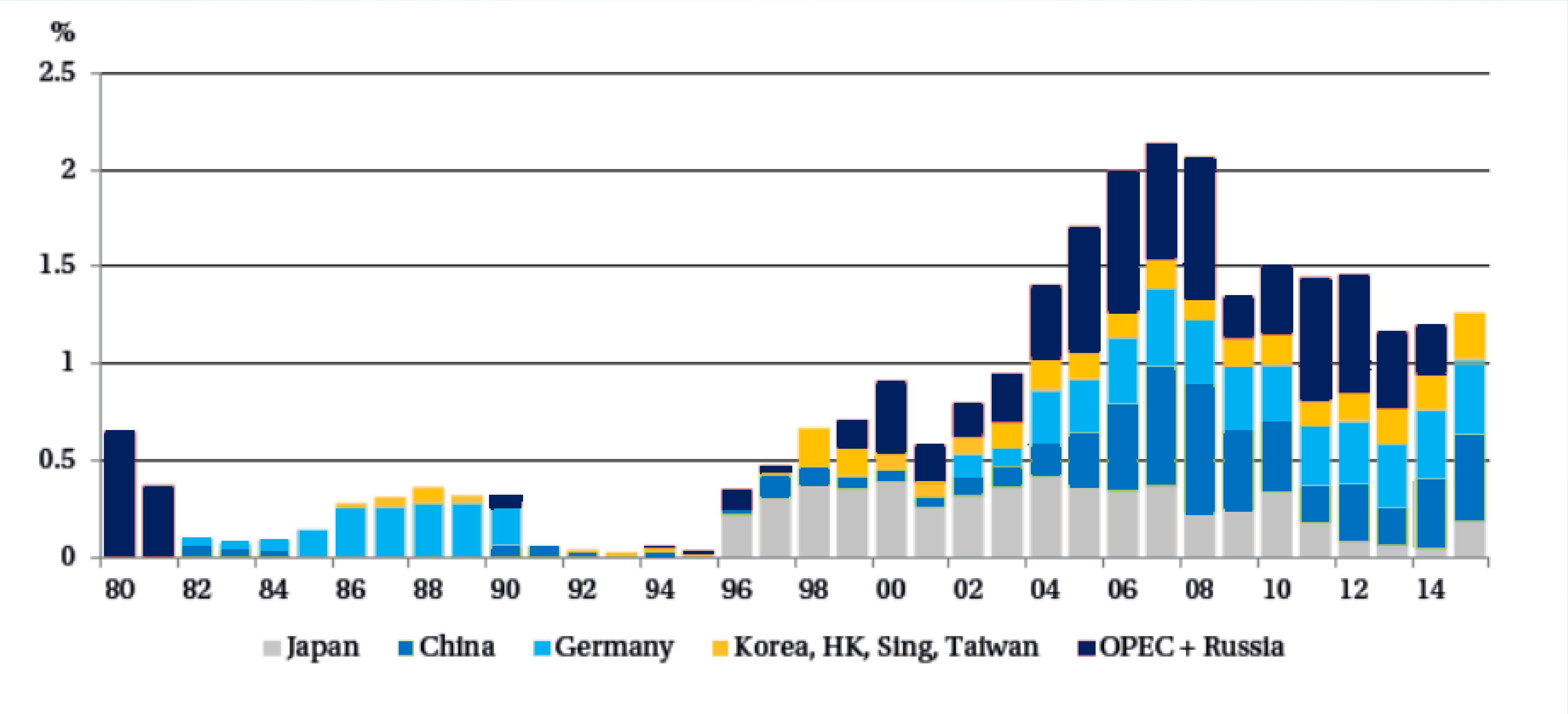
relative consumption in EU



lack of investment in Hungary



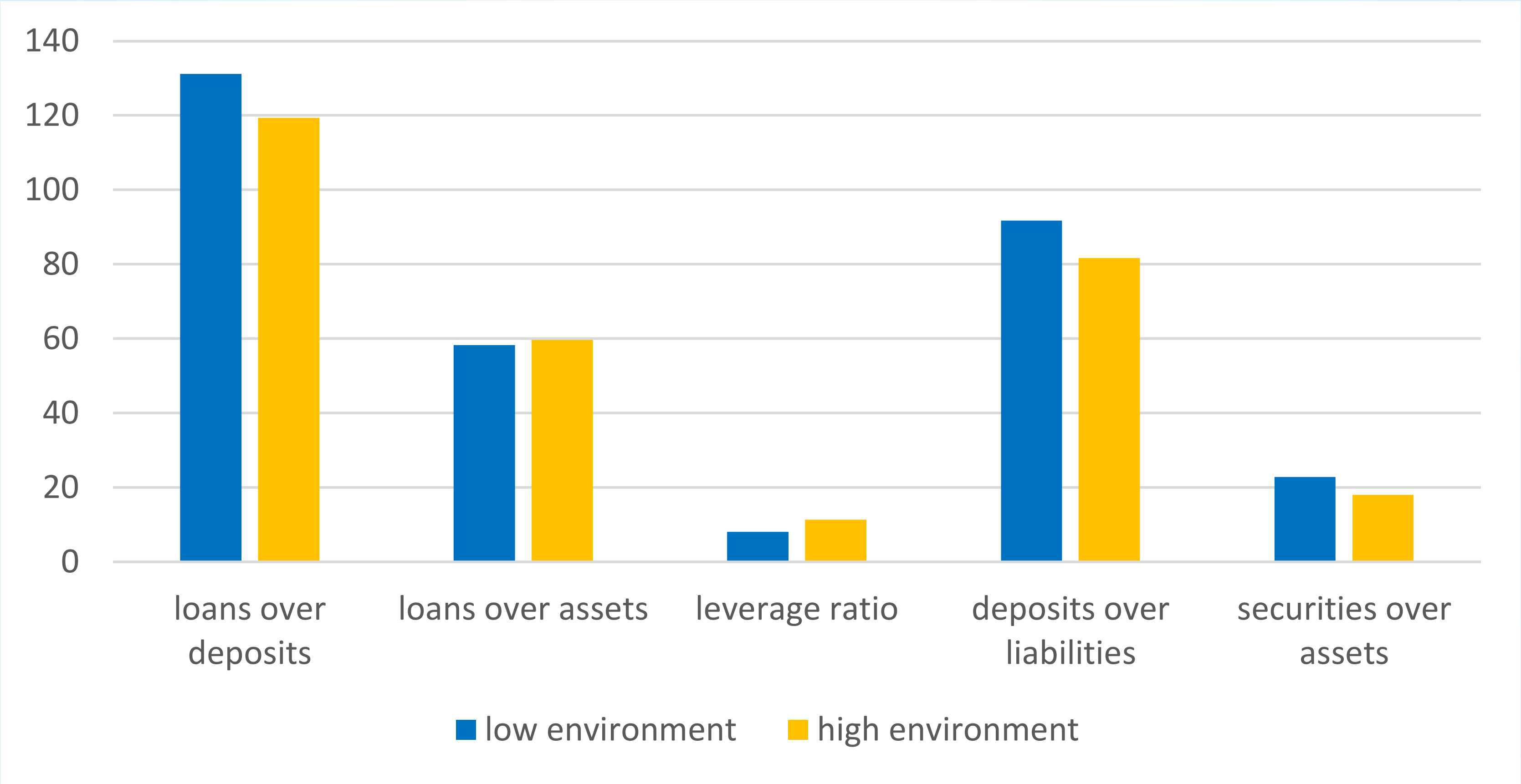
C/A surpluses to the world GDP



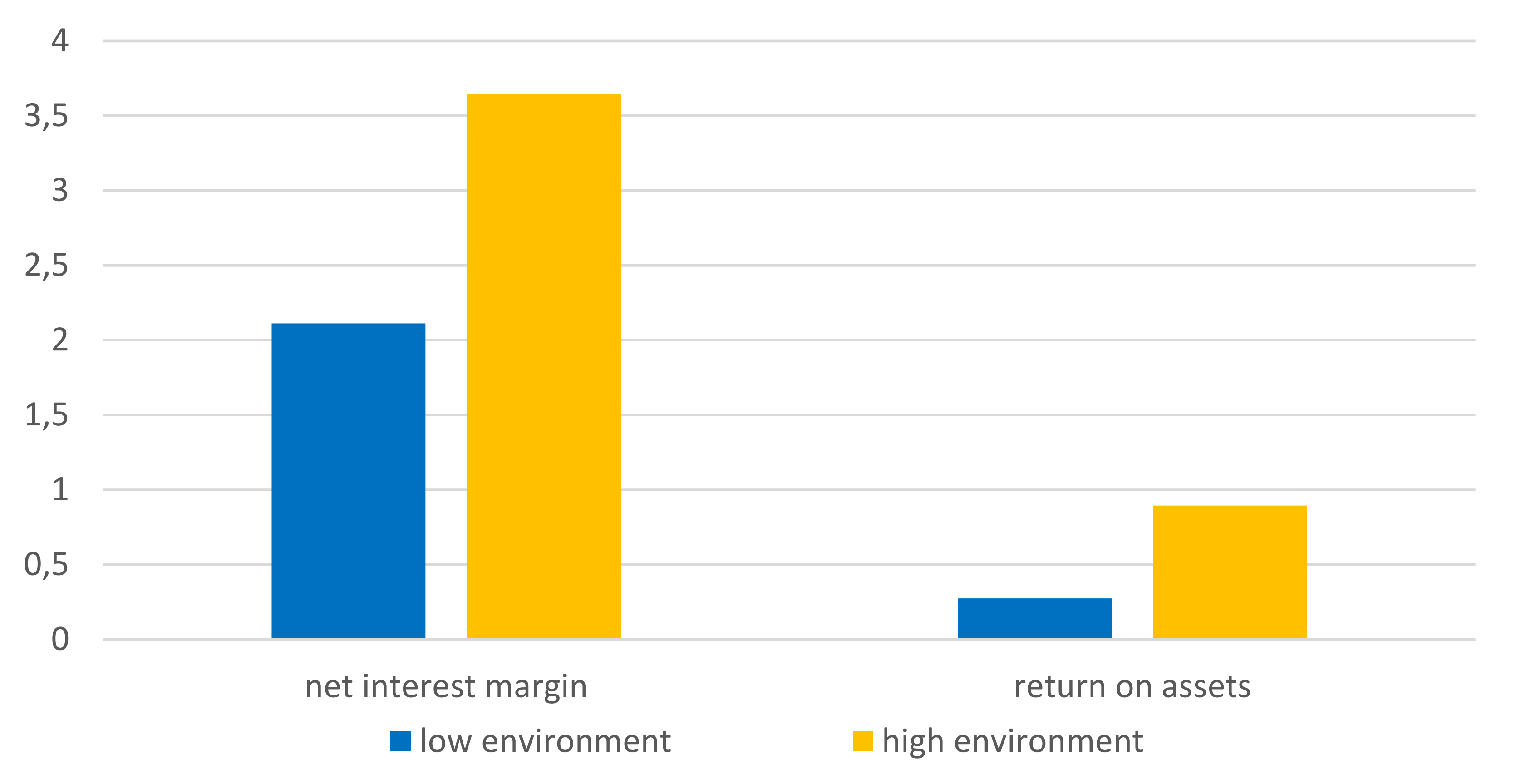
source: IMF

"Waiter, there's a bank in the soup!"

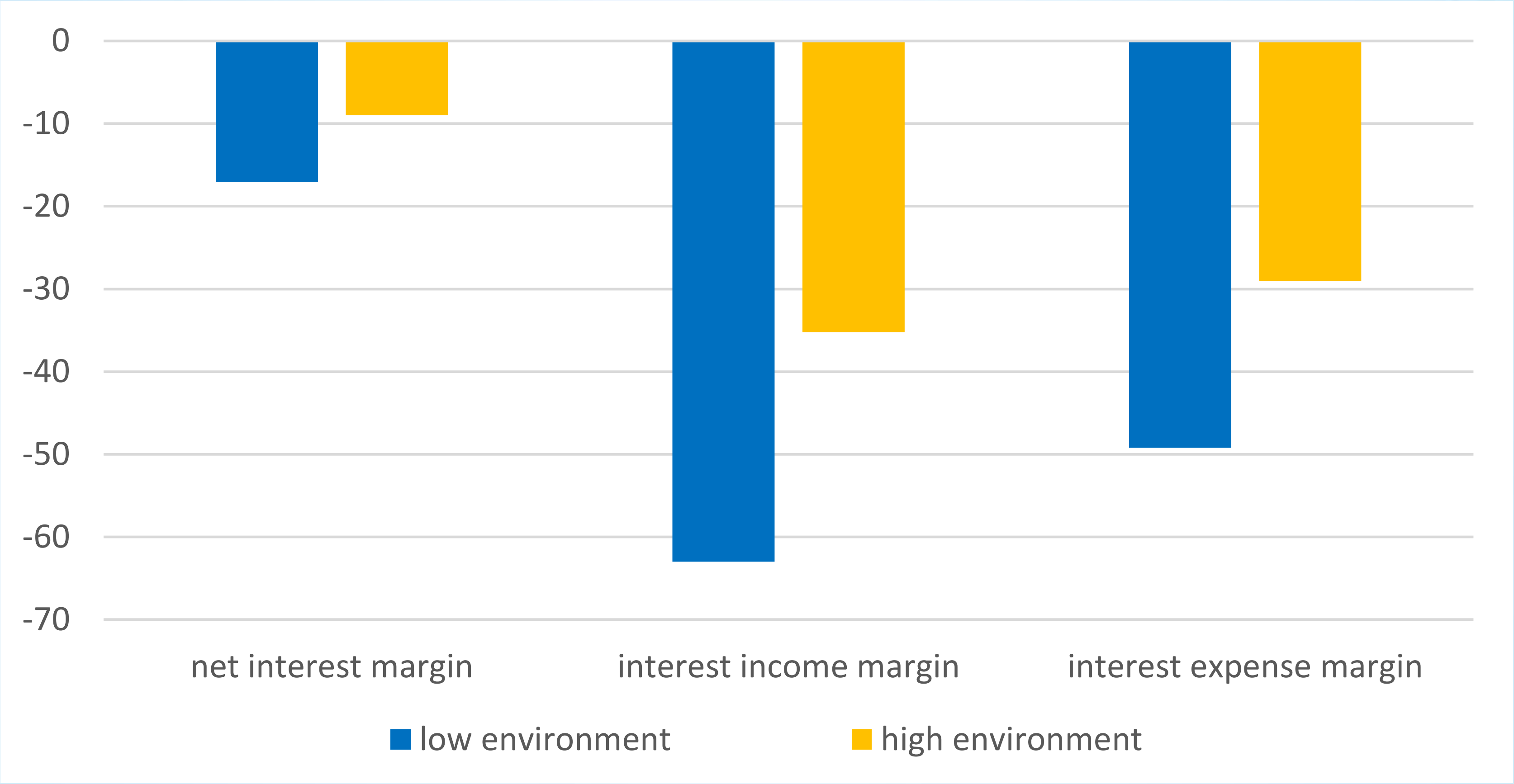
banks' balance sheet composition



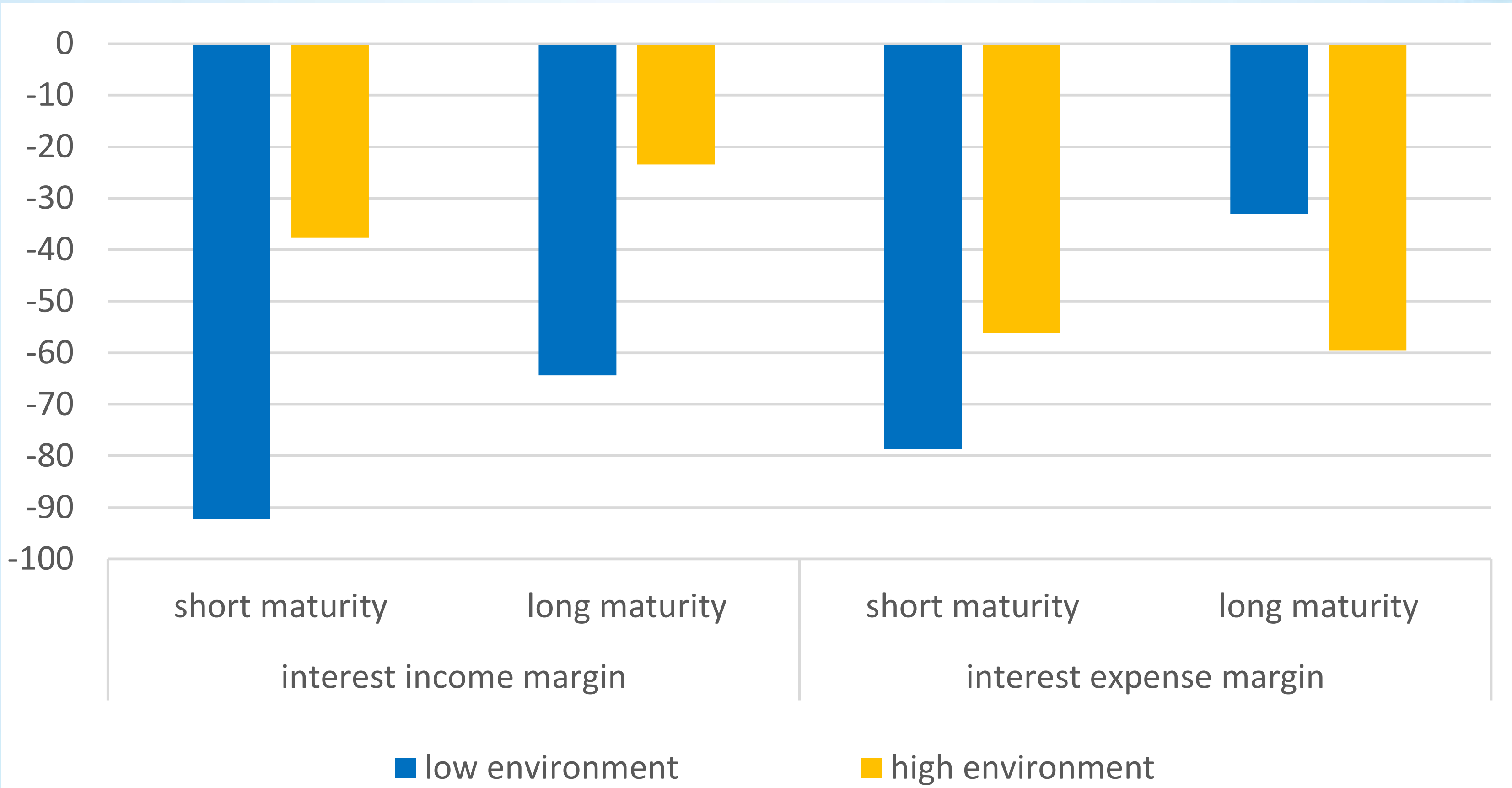
banks' NIM and profitability



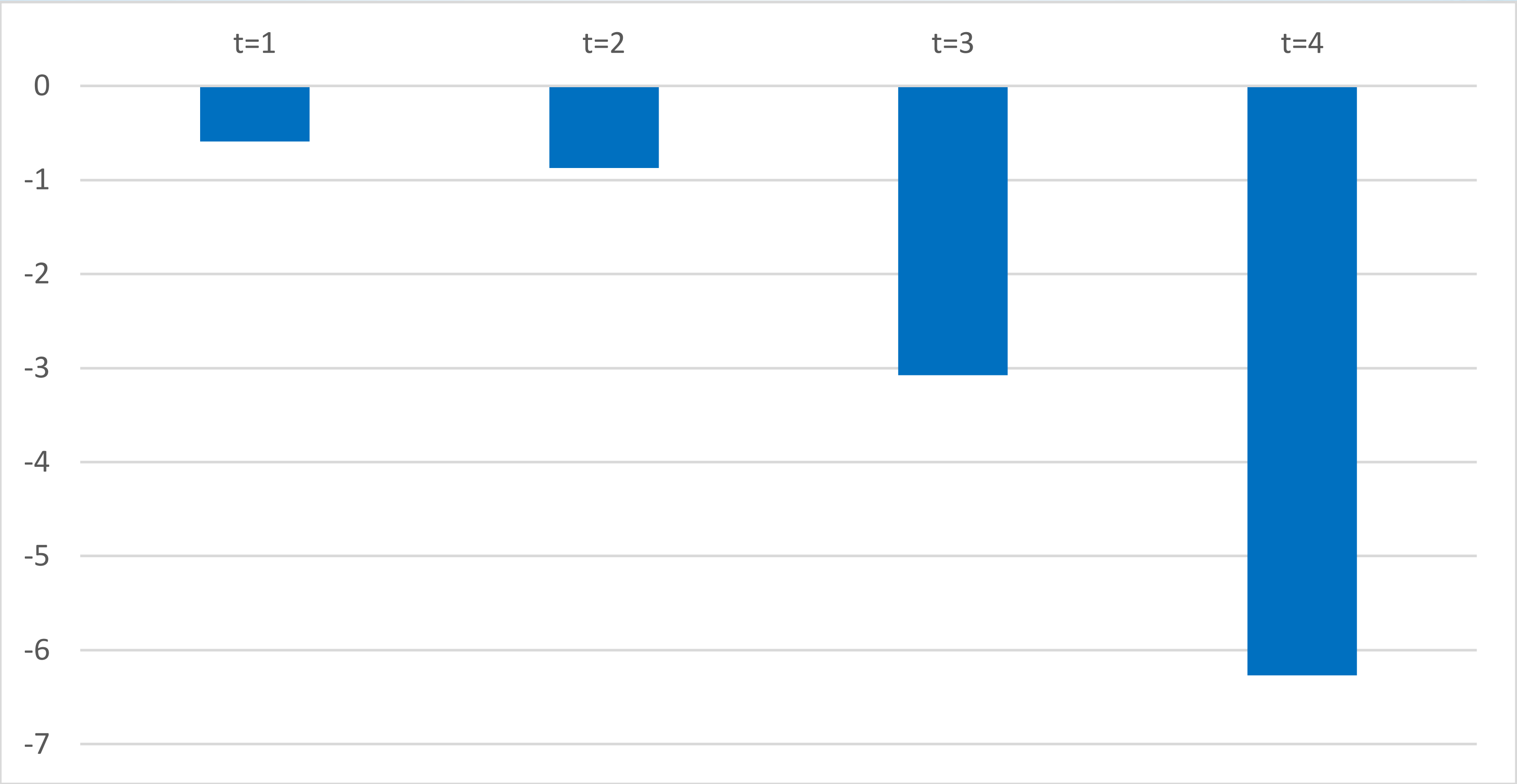
effect of 1ppt decrease in 3-month yield, (bp)



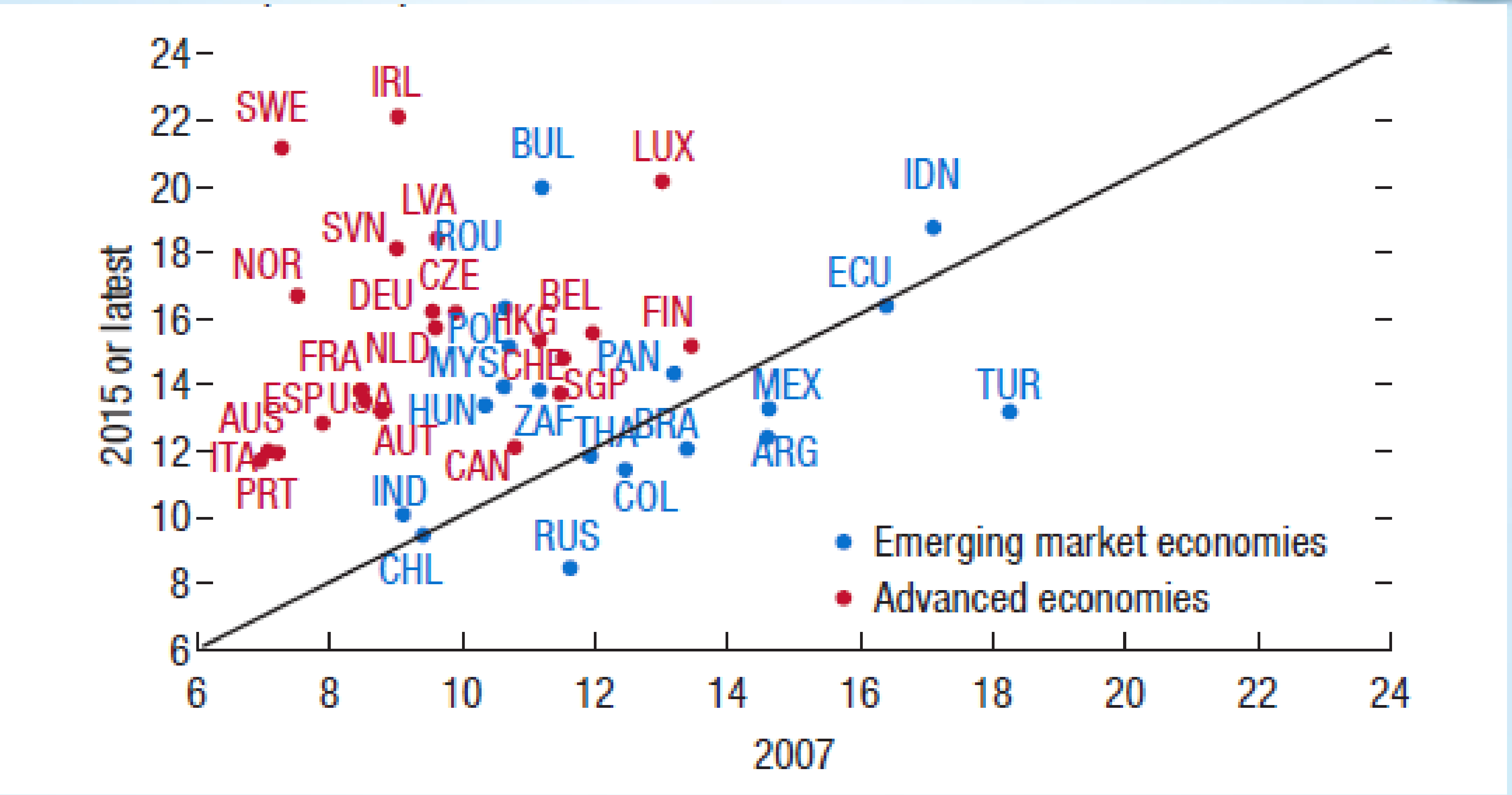
effect of 1ppt decrease in 3-month yield (by duration, bp)



change in NIM in a low rate environment



tier 1 capital ratio (%)



source: IMF

the competitive landscape is changing

$ 20bn

Estimated FinTech investments 2015

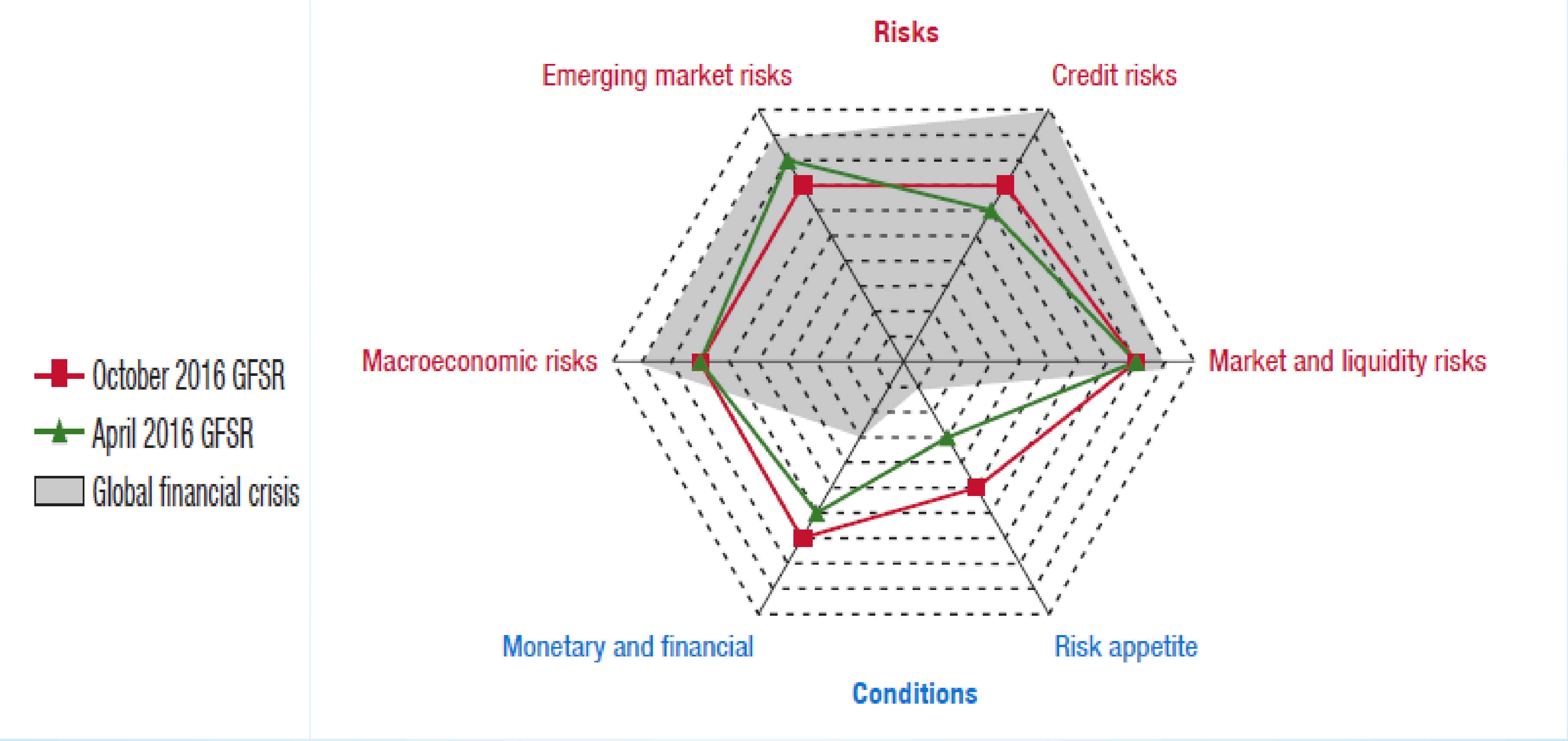
12,000+

FinTech startups on the market today

source: McKinsey and Banking Reports


North
Middle East
Ukraine
MORE ICE-BUCKET CHALLENGES!
ISIS
Afgha
Asia
CHAPPATTE

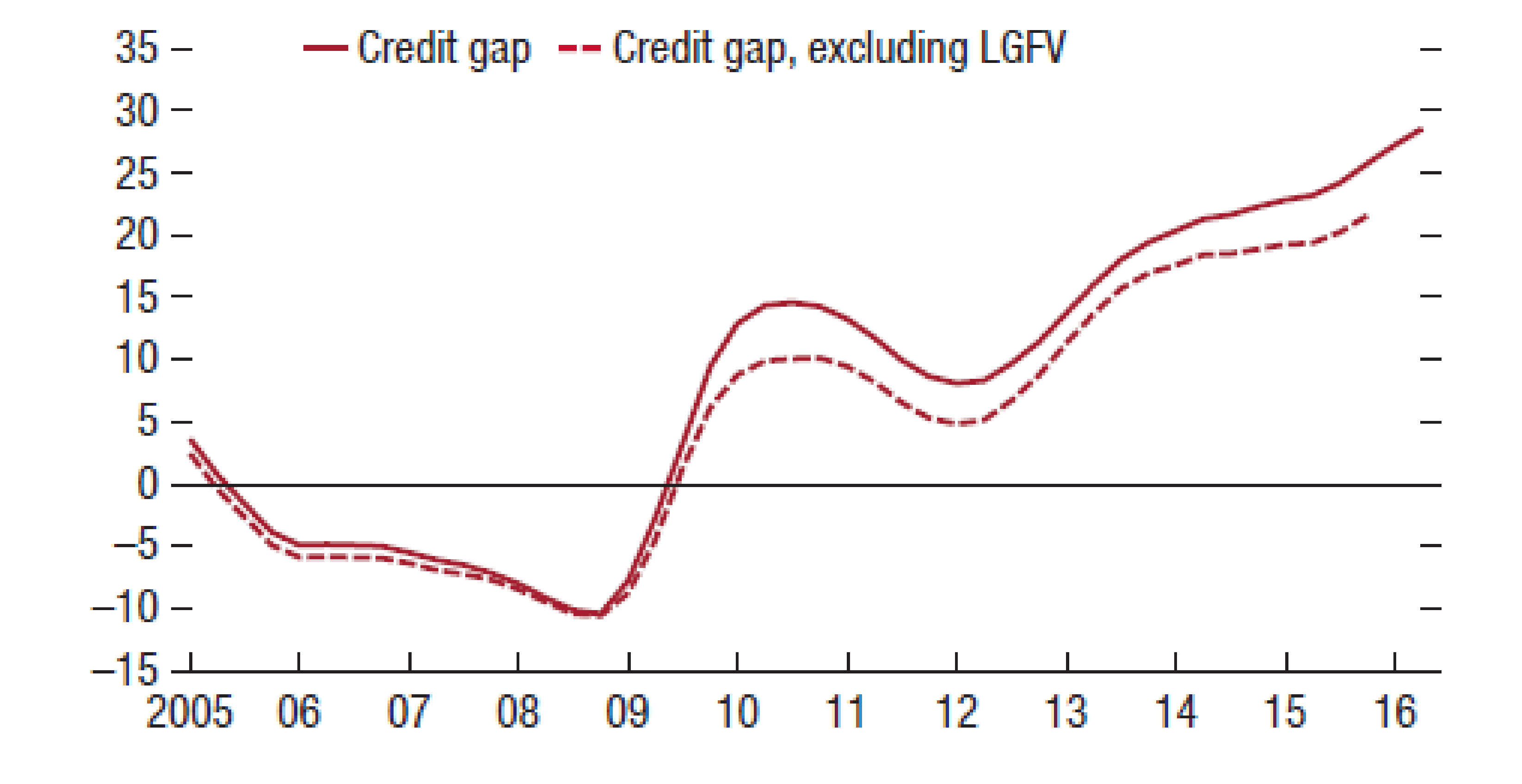
global financial stability map



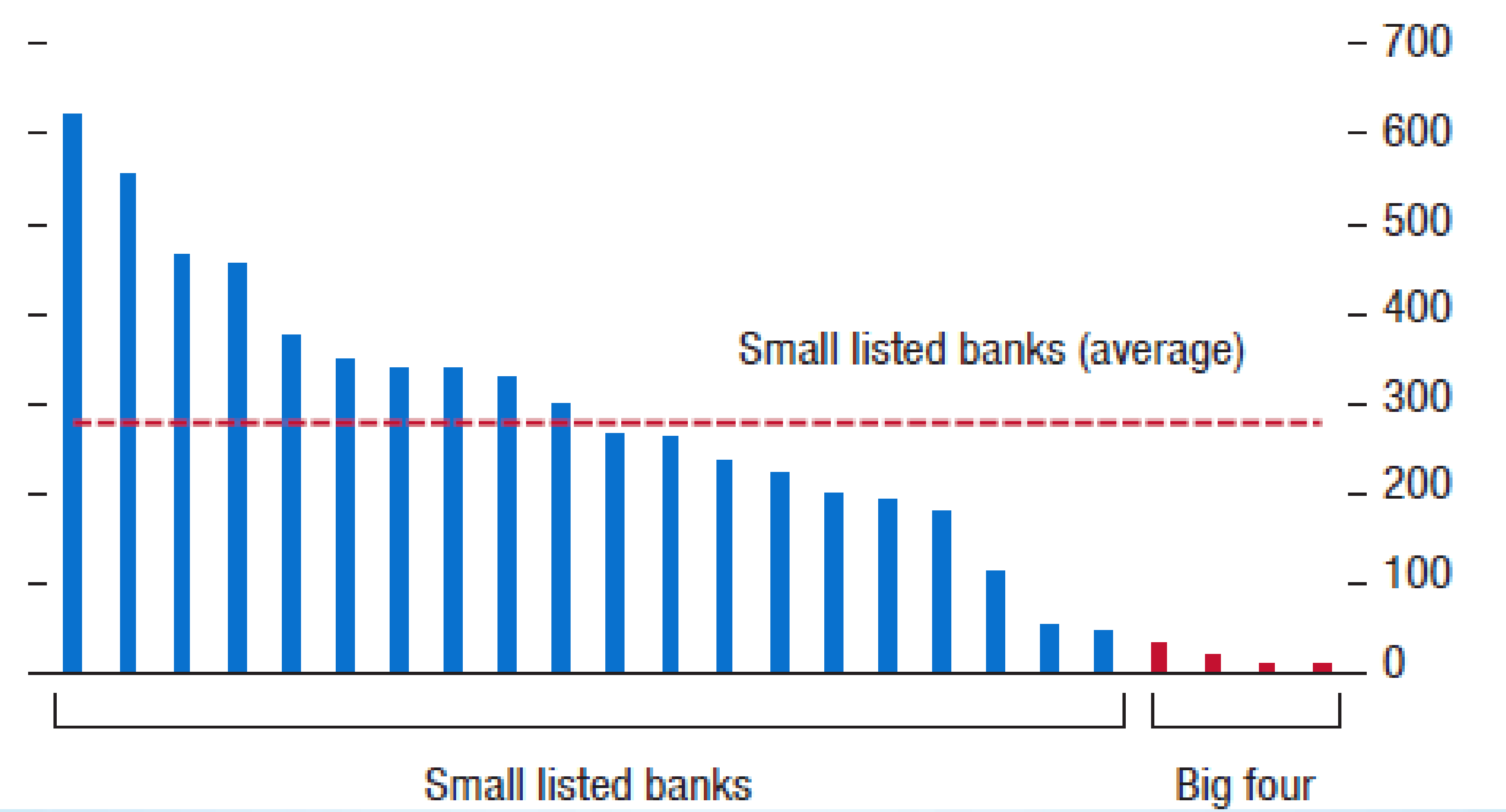
source: IMF


CHINA
PUP

credit overhang to GDP over long-term trend (China, %pt)

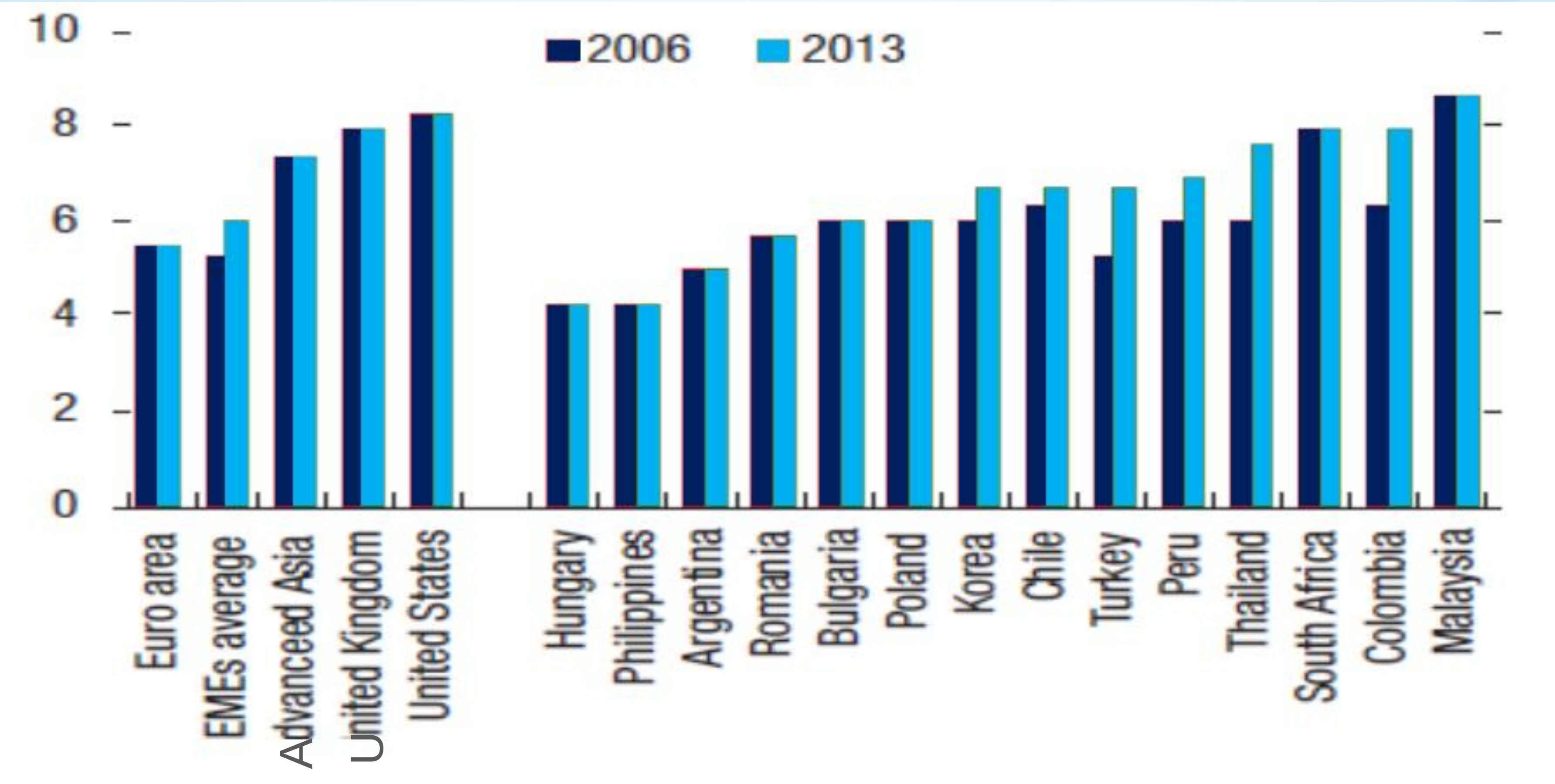


shadow assets as a share of capital buffers (China, %)

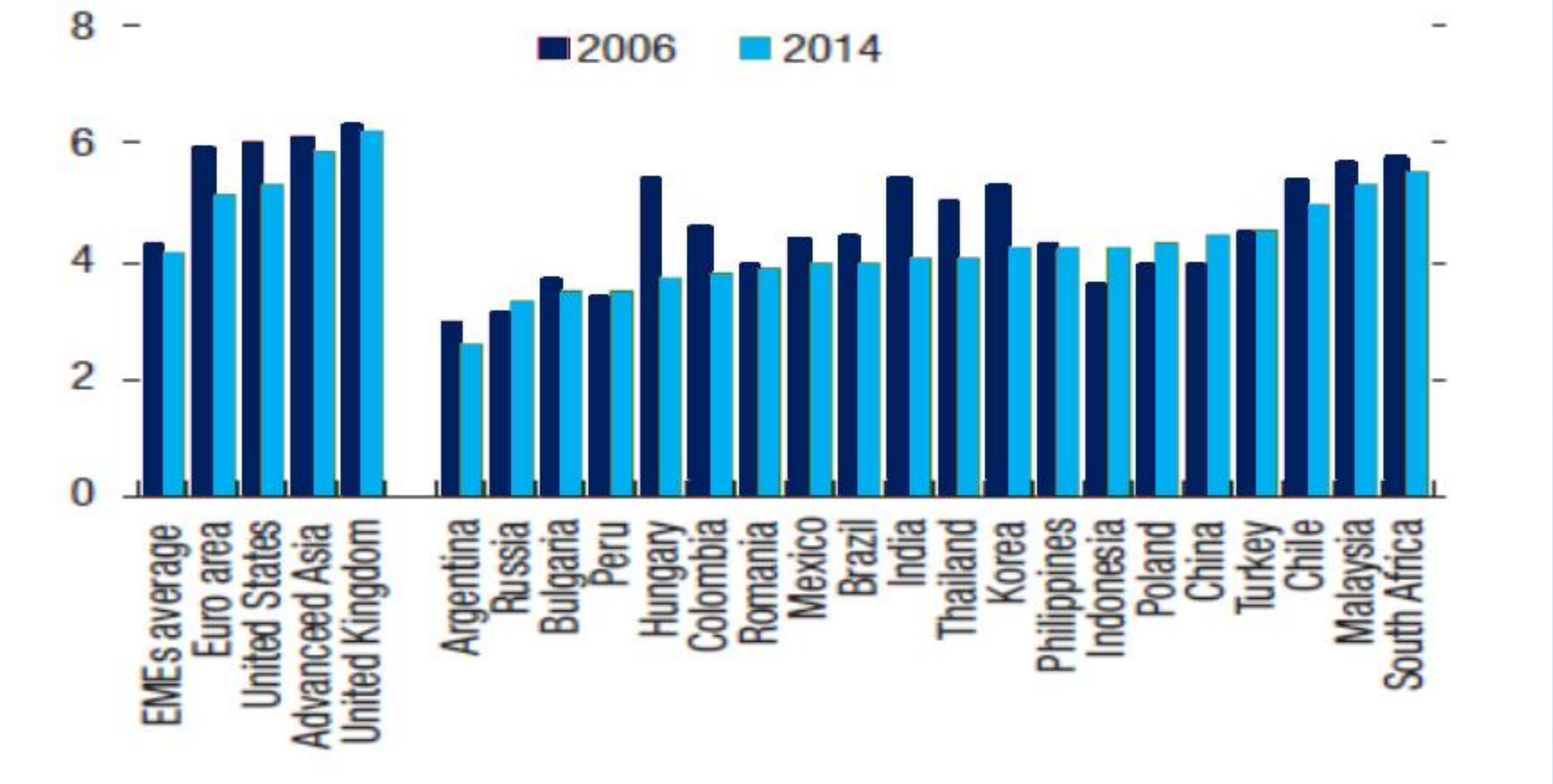


Biff was a little unclear on the
rules for the ice bucket challenge.

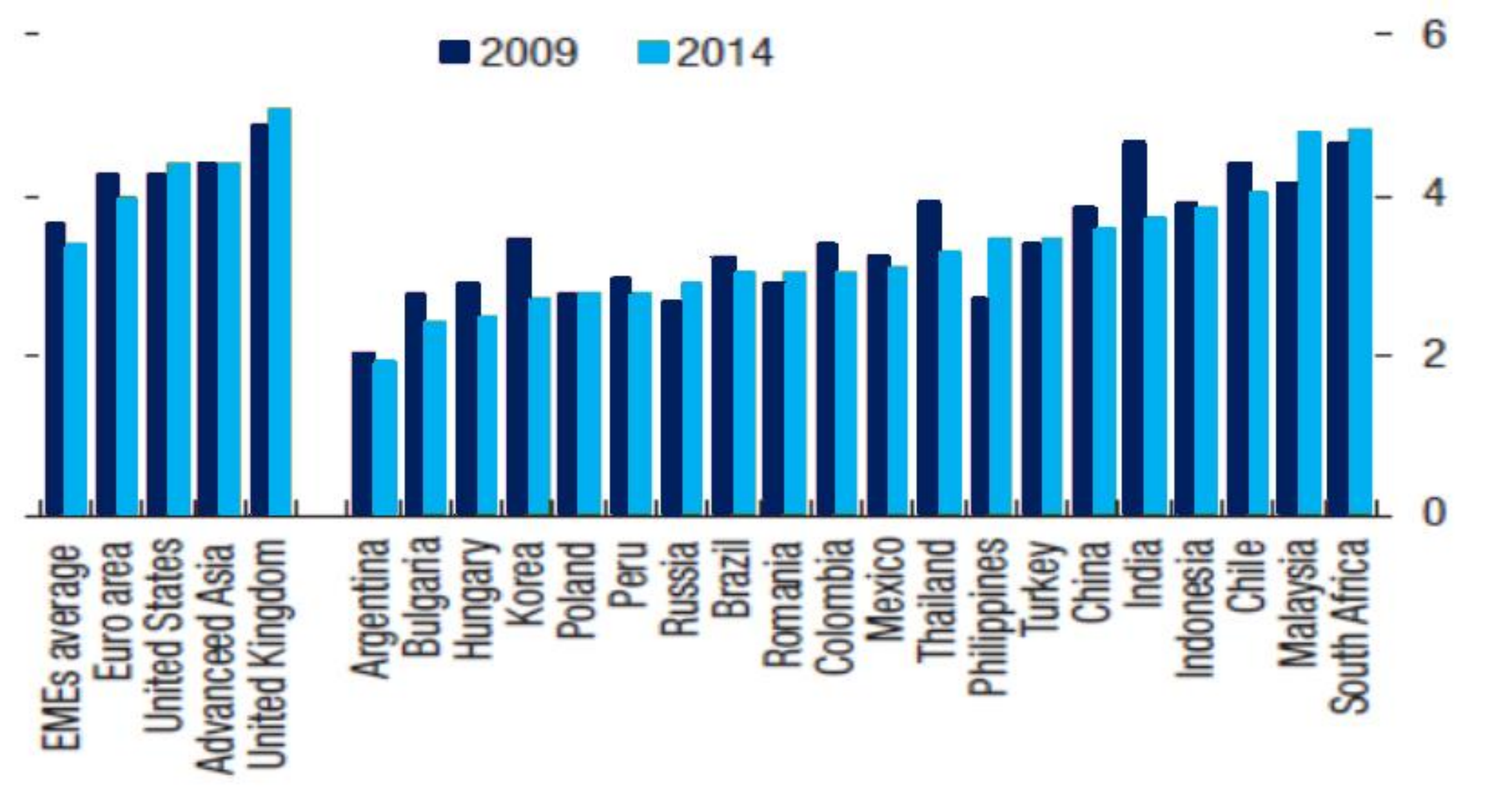
strength of investors protection
(higher value…stronger protection)



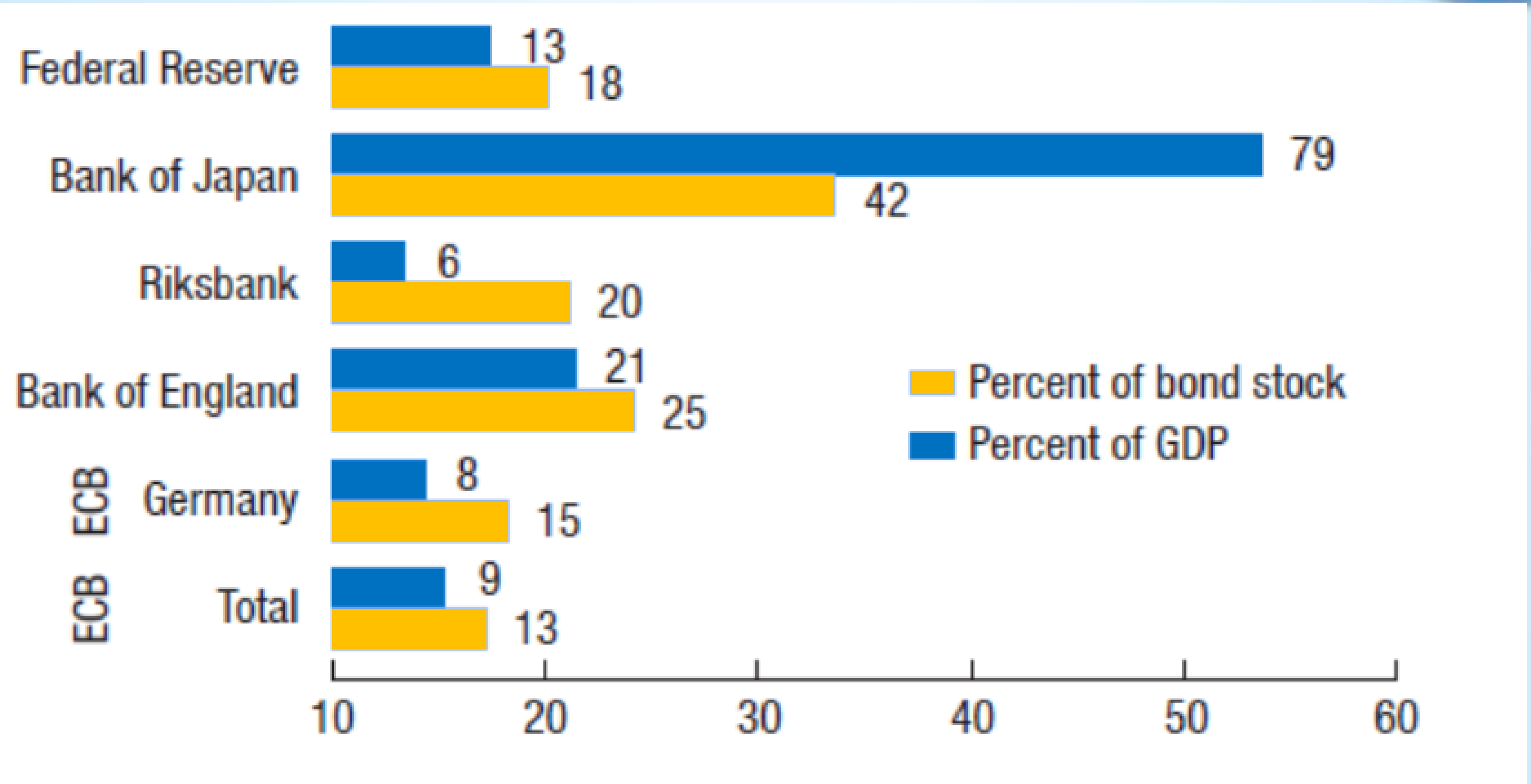
property rights
(higher value…stronger protection)



efficiency of legal framework in challenging regulations (higher…greater)

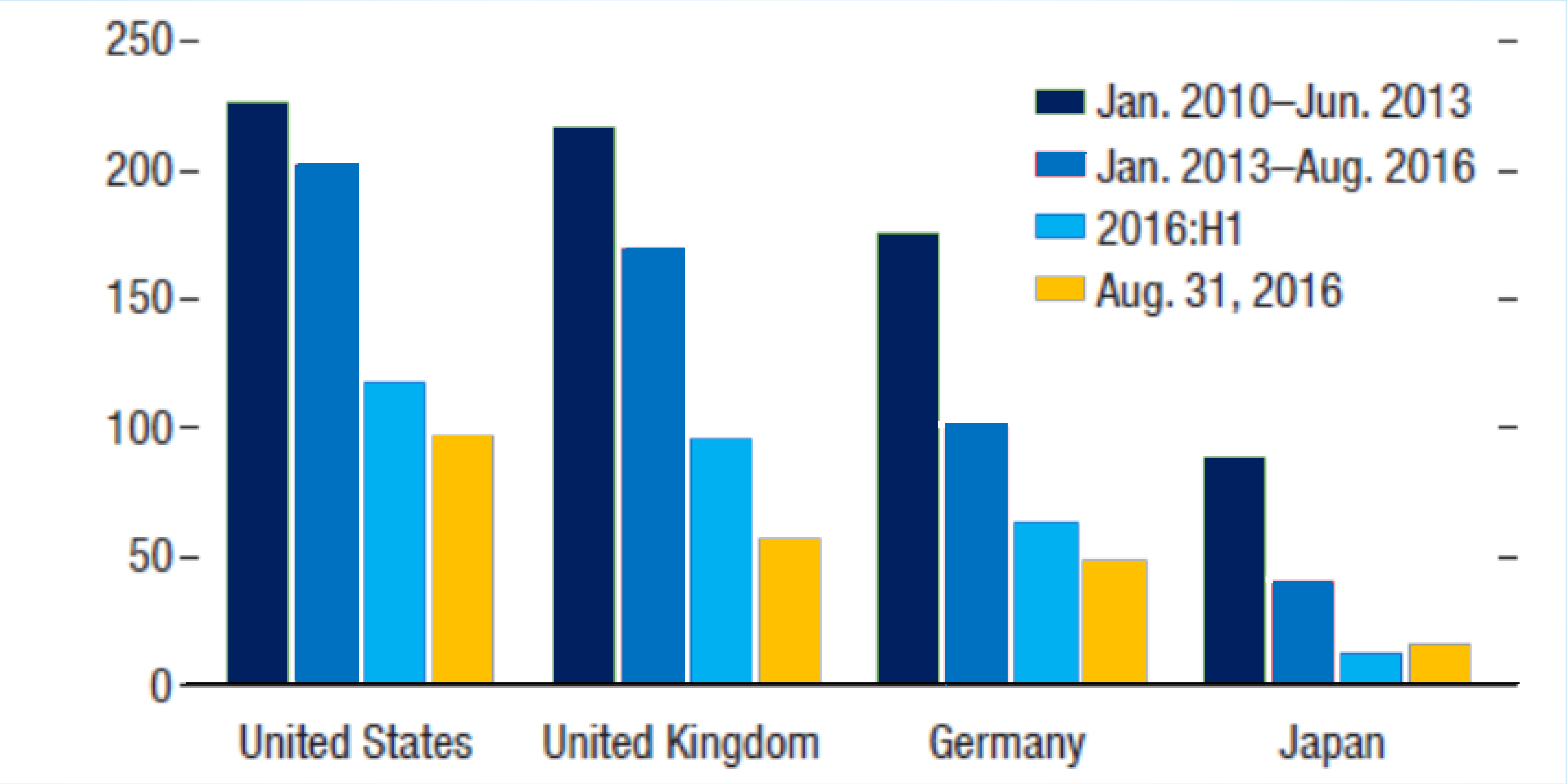


central banks' bond holdings (in 2016, %)



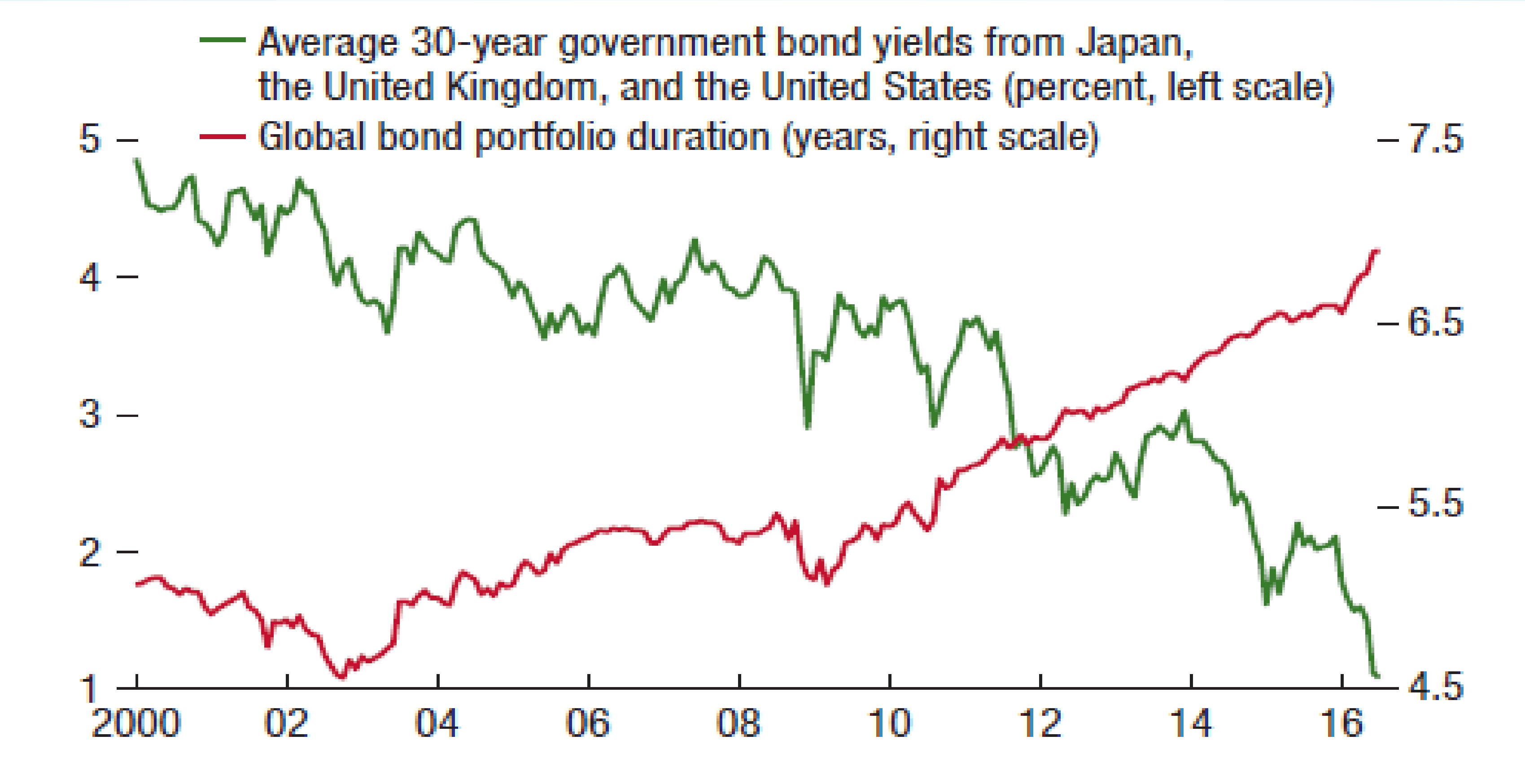
source: Citibank

sovereign yield spreads
(10-year to 1-year spread, bp)



source: Bloomberg

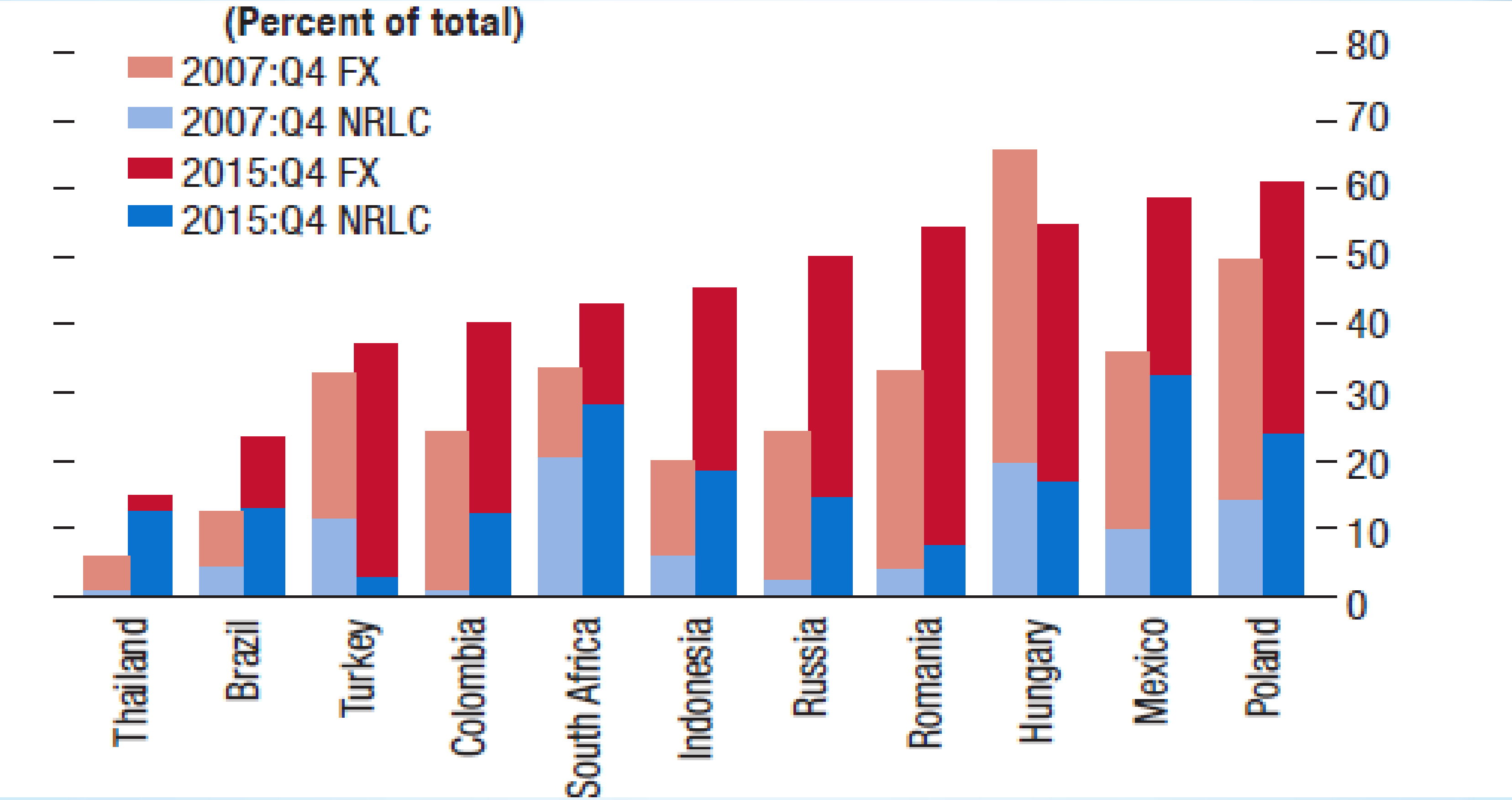
global bond portfolio duration



source: Barclays Capital, Bloomberg

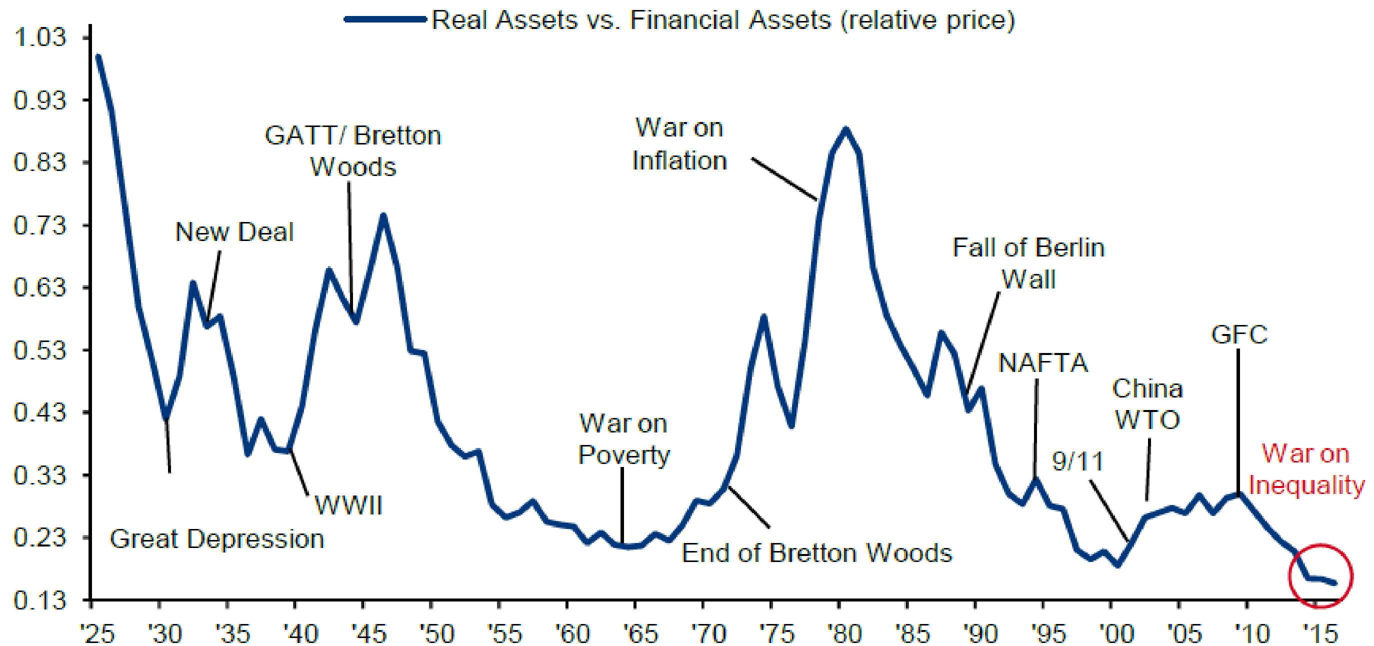
government debt breakdown

(foreign currency & local currency debt by nonresidents)




-Tayler-
CARTOONSTOCK
.com
Search ID: ktyn327
"HEY MOSES - THAT'S CHEATING!"

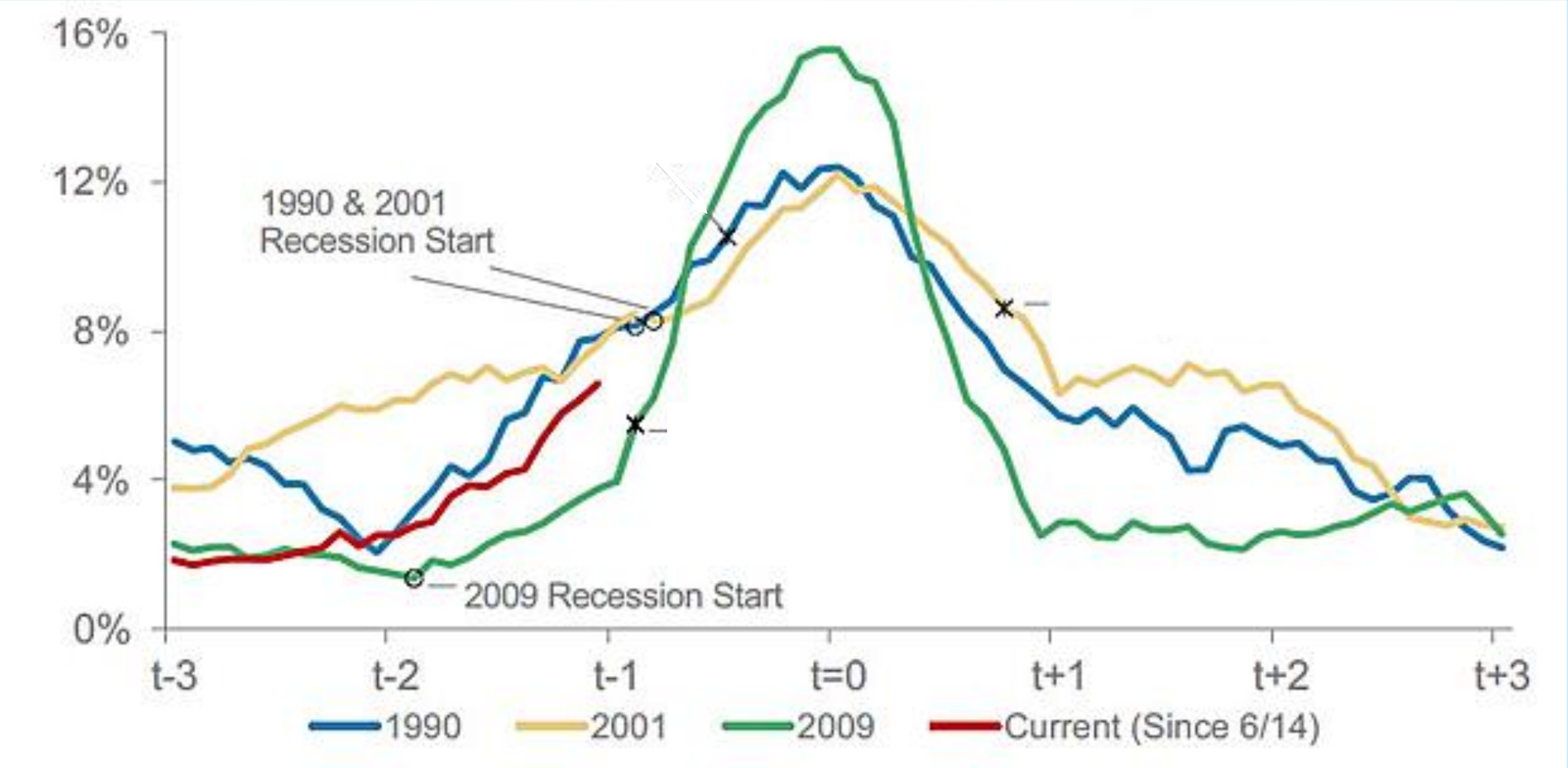
overvalued financial assets



Source: BofA Merrill Lynch Global Investment Strategy, Global Financial Data, Bloomberg, USDA, Savills, Shiller, ONS, Spaenjers, Historic Auto Group. Note: Real Assets (Commodities, Real Estate, Collectibles) vs. Financial Assets (Large Cap Stocks, Long-term Govt Bonds)

Source: BofA Merrill Lynch Global Investment Strategy, Global Financial Data, Bloomberg, USDA, Savills, Shiller, ONS, Spaenjers, Historic Auto Group. Note: Real Assets (Commodities, Real Estate, Collectibles) vs. Financial Assets (Large Cap Stocks, Long-term Govt Bonds)

is next crisis knocking on the door?
(bankruptcy among non-investment bonds)



forrás: Morgan Stanley, Moody's, Citi, NBER

THE ICE BUCKET CHALLENGE GONE WRONG

balance sheet of NBH