



DAILY OVERVIEW

OF GLOBAL MARKETS & THE SEE REGION

Tuesday, March 07, 2017

KEY UPCOMING DATA & EVENTS THIS WEEK

GLOBAL US

- Mar 6: Factory orders (Jan)
- Mar 7: Trade balance (Jan)
- Mar 8: ADP employment change (Feb)
- Mar 9: Jobless claims (weekly)
- Mar 10
 - Non-farm payrolls (Feb)
 - U/E rate (Feb)
 - Average hourly earnings (Feb)

EUROZONE

- Mar 7: GDP (Q4, f)
- Mar 9: ECB decision & press conference
- Mar 9-10: EU Council summit

GREECE

- Mar 6: GDP (Q4, f)
- Mar 9
 - U/E rate (Dec)
 - Euroworking group
- Mar 10
 - Industrial production (Jan)
 - CPI/HICP (Feb)

CYPRUS

- Mar 7: HICP (Feb)
- Mar 10: GDP (Q4, f)

SEE

BULGARIA

- Mar 7: GDP (Q4, f)
- Mar 9
 - Industrial production (Jan)
 - Retail sales (Jan)

ROMANIA

- Mar 6: 2022 T-bonds auction
- Mar 7: GDP (Q4, p)
- Mar 9: T-bonds auction
- Mar 10: CPI (Feb)

SERBIA

- Mar 7: PPI (Feb)

Source: Reuters, Bloomberg,
Eurobank Research

HIGHLIGHTS

WORLD ECONOMIC & MARKET DEVELOPMENTS

GREECE: The institutions mission heads are scheduled to depart tomorrow after another round of meetings with Greek government officials today. The March 9 Euroworking Group (EWG) is expected to assess the progress made and decide on the next steps ahead. Efforts are reportedly being made to speed up the implementation of the privatisations programme.

SOUTH EASTERN EUROPE

CESEE MARKETS: The Romanian finance ministry sold on Monday a planned amount of RON 600mn (~€132.3mn) of 5-year T-bonds at an average accepted yield came in at 3.00%. In other news, upon the conclusion of an IMF delegation visit to Serbia over the progress made under the country's 3-year €1.2bn precautionary Stand-By Arrangement (SBA), mission head James Roaf acknowledged that the "program continues to deliver strong results" and that fiscal targets have been overachieved.

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Latest world economic & market developments

GREECE

The institutions mission heads are scheduled to depart tomorrow after another round of meetings with Greek government officials today. According to government sources, differences have been bridged to a certain extent but more remains to be agreed with respect to the contentious issues at hand, namely the reduction in pensions and the tax-free threshold, the labour and energy market reform and the offsetting measures. The March 9 Euroworking Group (EWG) is expected to assess the progress made and decide on the next steps ahead. According to press reports, in spite of the differences, the Greek side still appears optimistic that a Staff Level Agreement at the March 20 Eurogroup remains within reach whereas European officials reportedly see an agreement at a later date. Meanwhile, efforts are reportedly being made to speed up the implementation of the privatisations programme. The submission of binding offers for the privatisation of the Thessaloniki Port Authority (OLTH) is expected to take place by March 24 without further delays whereas according to press, progress is being made with regard to the project of Hellinikon and the financial closure of the sale of Trainose.

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Source: Reuters, Bloomberg, Eurobank Research

Latest economic & market developments in the CESEE region

CESEE MARKETS

In the local currency government bond markets, the Romanian finance ministry sold on Monday a planned amount of RON 600mn (~€132.3mn) of 5-year T-bonds. The average accepted yield came in at 3.00%, 30bps below that achieved at a prior auction of similar maturity paper held in January, while the tender's bid-to-cover ratio stood at 1.33. The issue bears a coupon of 3.4% and expires on March 8, 2022.

In other news, upon the conclusion of an IMF delegation visit to Serbia over the progress made under the country's 3-year €1.2bn precautionary Stand-By Arrangement (SBA), mission head James Roaf acknowledged that the "program continues to deliver strong results" and that fiscal targets have been overachieved. On the latter, he highlighted the recent improvement in the country's fiscal position, as the general government deficit narrowed to its lowest level in more than a decade (1.4% of GDP) and the general government debt declined (to 74% of GDP) last year. On growth, he noted that economic activity in 2016 was led by rising investment, exports and employment, with unemployment and NPLs both on a declining trend. He added that near-term macroeconomic prospects are positive, with real GDP growth projected at 3% this year and inflation anticipated to remain within the Central Bank target tolerance band. Nonetheless, he underscored that "risks remain and structural economic challenges persist", stressing the importance to fully implement planned public administration reforms and to resolve or restructure loss-making state-owned enterprises. The statement in the IMF website also read that "the mission also discussed the status of the financial sector reform agenda, including the implementation of the NPL resolution strategy and the strategy for state-owned banks". An IMF visit in the context of the 7th review under the SBA, which will be combined with the 2017 Article IV Consultation, is planned for May.

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March 7, 2017

GLOBAL MARKETS

Stock markets				FOREX			Government Bonds				Commodities				
	Last	ΔD	ΔYTD		Last	ΔD	ΔYTD	(yields)	Last	ΔDbps	ΔYTD bps		Last	ΔD	ΔYTD
S&P 500	2375.31	-0.3%	6.1%	EUR/USD	1.0599	0.2%	0.8%	UST - 10yr	2.50	0	5	GOLD	1226	0.0%	6.4%
Nikkei 225	19344.15	-0.2%	1.2%	GBP/USD	1.2223	-0.1%	-1.1%	Bund-10yr	0.33	-1	13	BRENT CRUDE	56	-0.2%	-1.7%
STOXX 600	373.27	-0.5%	3.3%	USD/JPY	113.76	0.1%	2.8%	JGB - 10yr	0.08	0	3	LMEX	2835	-0.8%	6.6%

CESEE MARKETS

SERBIA

Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	304	0	4
1-week	3.18	0	1
1-month	3.36	-1	1
3-month	3.51	0	4
6-month	3.69	0	3

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	5.07	0	-1
5Y RSD	5.43	0	8
7Y RSD	5.71	#N/A N/A	8

RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Nov-17	2.00	0	-32
USD Nov-24	6.53	4	11

CDS

	Last	ΔDbps	ΔYTD bps
5-year	204	0	-3
10-year	247	0	-9

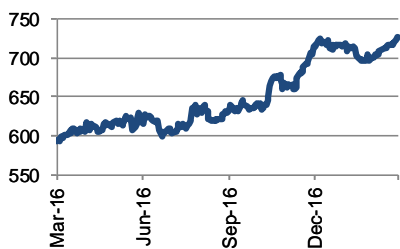
STOCKS

	Last	ΔD	ΔYTD
BELEX15	725.8	0.50%	1.18%

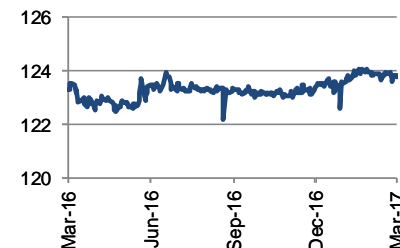
FOREX

	Last	ΔD	ΔYTD
EUR/RSD	123.74	0.03%	-0.22%

BELEX15 Index



EUR/RSD



ROMANIA

Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	0.49	0	-7
1-month	0.62	0	-14
3-month	0.81	0	-9
6-month	1.05	0	-6
12-month	1.24	0	-1

RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	1.67	-1	5
5Y RON	2.67	0	15
10Y RON	3.73	1	8

RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	2.00	-4	-14
USD Jan-24	3.55	-2	-30

CDS

	Last	ΔDbps	ΔYTD bps
5-year	93	0	-16
10-year	138	0	-14

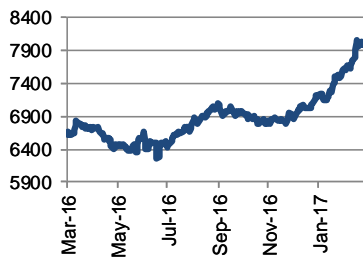
STOCKS

	Last	ΔD	ΔYTD
BET	7936.7	0.17%	12.02%

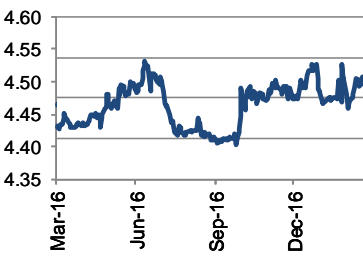
FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.5371	-0.05%	0.04%

BET Index



EUR/RON



BULGARIA

Money Market

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	-0.23	0	-23
1-month	-0.17	0	-1
3-month	-0.08	-1	-1
6-month	0.04	-1	-4
12-month	0.40	-2	-1

BG Local Bonds

(yields)	Last	ΔDbps	ΔYTD bps
3Y BGN	0.11	2	-4
5Y BGN	0.40	1	-11
10Y BGN	1.73	0	-18

BG Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Jul-17	-0.66	0	-33
EUR Sep-24	1.54	0	-14

CDS

	Last	ΔDbps	ΔYTD bps
5-year	114	1	-38
10-year	160	3	-33

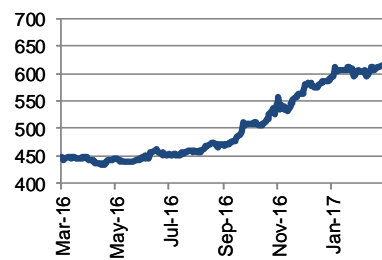
STOCKS

	Last	ΔD	ΔYTD
SOFIX	615.1	0.33%	4.89%

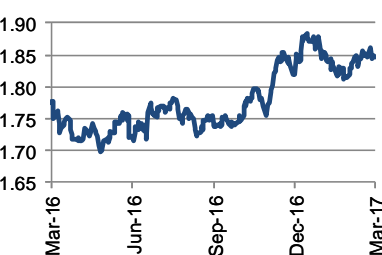
FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.8454	0.16%	0.70%

SOFIX Index



USD/BGN



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research

Data updated as of 10:10 EET

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