

KEY UPCOMING DATA & EVENTS THIS WEEK

GLOBAL

US

- June 12
 - US President meets North Korean leader
 - CPI (May)
- June 13
 - FOMC rate decision & Chair Powell's press conference
- June 14
 - Import prices (May)
 - Retail sales (May)
- June 15
 - Empire State manuf. (Jun)
 - Industrial production (May)
 - UM consumer conf. (Jun)

EUROZONE

- June 12: DE: ZEW survey (Jun)
- June 13: Industrial prod. (Apr)
- June 14: ECB meeting

UK

- June 11: Industrial prod. (Apr.)
- June 12
 - House of Commons votes on Withdrawal Bill changes
 - Average earnings (Apr)
 - U/E rate (Apr)
- June 13: CPI (May)

GREECE

- June 14: U/E rate (Q1)

CYPRUS

- June 12: HICP (May)

SEE

BULGARIA

- June 11: Trade balance (Apr)
- June 13: CPI (May)
- June 15: U/E rate (May)

ROMANIA

- June 11
 - Trade balance (Apr)
 - Net wages (Apr)
 - T-bonds auction
- June 12
 - Industrial production & sales (Apr)
 - CPI (May)
- June 13: CAD (Apr)
- June 14: T-bonds auction

SERBIA

- June 12: CPI (May)
- June 15: Sovereign debt rating by S&P and Fitch

Source: Reuters, Bloomberg,
Eurobank Research

HIGHLIGHTS

WORLD ECONOMIC & MARKET DEVELOPMENTS

GLOBAL MARKETS: The FOMC concludes its two-day policy meeting later today and is widely expected to raise the federal funds rate by 25bps to a range of 1.75-2.00%. The updated Summary of Economic Projections (SEP) is likely to reveal a modest upward revision for 2018 GDP and a lower projection for the unemployment rate. The main focus will be on whether the Committee's median projected rate path ("dots") will be more aggressive signaling two additional increases this year. In FX markets, the USD retained a firm tone gaining 0.3% on the day against the JPY while the GBP/USD was 0.7% lower from Tuesday's 1.3424 session peak hit on news that the UK government won in the House of Commons the Brexit "meaningful vote" amendment to the EU Withdrawal Bill put forward by the House of Lords.

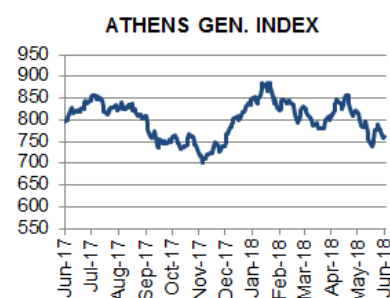
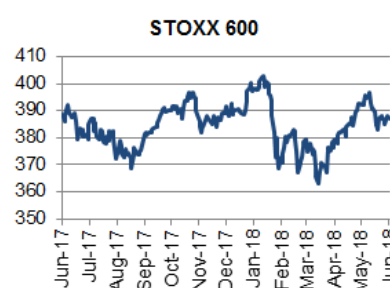
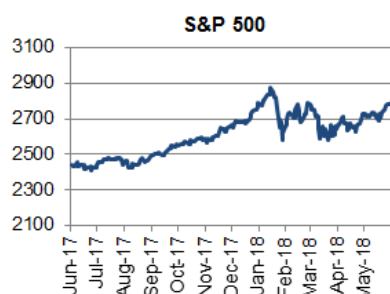
GREECE: According to European sources the EPPS for Greece may have the following characteristics: 1) there will be four reviews annually, 2) the reviews will be undertaken jointly by the EC, the ECB and the ESM while it is considered almost certain that the IMF will also participate regardless of whether it will contribute additional funds to Greece or not, 3) in case of deviation from agreed targets, the debt relief measures may be suspended and the EC will be entitled to request additional measures, 4) the duration of the EPPS is estimated at 18 to 24 months while at the end of this period it will be assessed whether it will be turned into post programme surveillance (PPS).

DISCLAIMER

This document has been issued by Eurobank Ergasias SA (Eurobank) and may not be reproduced in any manner. The information provided has been obtained from sources believed to be reliable, but has not been verified by Eurobank, and the opinions expressed are exclusively of their author. This information does not constitute an investment advice or any other advice, or an offer to buy or sell, or a solicitation of an offer to buy or sell, or an offer or a solicitation to execute transactions on the financial instruments mentioned. The investments discussed may be unsuitable for investors, depending on their specific investment objectives, their needs, their investment experience and financial position. No representation or warranty (expressed or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions, all of which are subject to change without notice. No responsibility or liability, whatsoever or howsoever arising, is accepted in relation to the contents thereof by Eurobank or any of its directors, officers and employees.

Latest world economic & market developments

GLOBAL MARKETS



Source: Reuters, Bloomberg, Eurobank Research

The FOMC concludes its two-day policy meeting later today and is widely expected to raise the federal funds rate by 25bps to a range of 1.75-2.00%. The updated Summary of Economic Projections (SEP) is likely to reveal a modest upward revision for 2018 GDP and a lower projection for the unemployment rate. The main focus will be on whether the Committee's median projected rate path ("dots") will be more aggressive signaling two additional increases this year, a development that could exert some pressure on US Treasuries, especially at the short-end of the curve. In FX markets, the USD retained a firm tone ahead of the conclusion of the Fed's meeting with the DXY index standing 0.1% higher on the day failing though to capitalize much on yesterday's US inflation data for May, which showed a rise to a 6 year high of 2.8%YoY in the headline and an acceleration in the core to 2.2%YoY from 2.1%YoY in the prior month. The USD/JPY revisited levels above 110.00 standing 0.3% higher on the day at around 110.60/65 in early European trade while the GBP/USD was 0.7% lower from Tuesday's 1.3424 session peak hit on news that the UK government won in the House of Commons the Brexit "meaningful vote" amendment to the EU Withdrawal Bill put forward by the House of Lords. According to press reports, in order to avoid losing the vote, the UK government provided certain compromises (compromises?) including, among others, allowing the parliament to vote on its next steps in case the latter rejects the Brexit deal in a vote scheduled for later this year. The US House of Common's Brexit debates continue today with focus on the vote on the customs union amendment to the EU Withdrawal Bill.

ppetropoulou@eurobank.gr

GREECE

The enhanced post programme surveillance (EPPS) framework that is being considered for Greece for the period after the expiration of the current programme has not been activated before and, according to EC Commissioner Pierre Moscovici, its particular features will be determined by the EC. According to European sources, the EPPS may have the following characteristics: 1) there will be four reviews annually – instead of two, which is the common practice for countries that completed economic adjustment programmes – and their results will be presented to the European Council and the European Parliament, 2) the reviews will be undertaken jointly by the EC, the ECB and the ESM while it is considered almost certain that the IMF will also participate regardless of whether it will contribute additional funds to Greece or not, 3) in case of deviation from agreed targets, the debt relief measures may be suspended and the EC will be entitled to request additional measures or, in extreme circumstances, even recommend a new economic adjustment programme, 4) the duration of the EPPS is estimated at 18 to 24 months while at the end of this period it will be assessed whether it will be turned into post programme surveillance (PPS). Meanwhile, as regards debt relief, according to press reports, a short-term debt relief package for Greece could include the extension of the EFSF loans' maturities up to 15 years and the repayment of IMF loans and ECB-held Greek bonds with ESM funds. Germany, however, reportedly objects to this approach, favouring instead a substantial cash buffer that will allow Greece to refrain from borrowing from the financial markets even until 2022. For the medium-term, the debt relief measures could include the return of SNP/ANFA profits and the mechanism linking debt relief to GDP growth, whereas for the long-term period there will be the political commitment for further debt relief, if needed.

andimitriadou@eurobank.gr

Wednesday 13 June 2018

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 | 2786.85 | 0.2% | 4.2% | EUR/USD | 1.1745 | 0.0% | -2.2% | UST - 10yr | 2.96 | 0 | 55 | GOLD | 1294 | -0.2% | -0.7% |
| Nikkei 225 | 22966.38 | 0.4% | 0.9% | GBP/USD | 1.3345 | -0.2% | -1.3% | Bund-10yr | 0.48 | -1 | 5 | BRENT CRUDE | 75 | -0.6% | 12.8% |
| STOXX 600 | 387.25 | -0.1% | -0.5% | USD/JPY | 110.62 | -0.2% | 1.9% | JGB - 10yr | 0.05 | 0 | 1 | LMEX | 3462 | -0.3% | 1.3% |

SERBIA

| BELIBOR | Last | ΔDbps | ΔYTD bps |
|---------|------|-------|----------|
| T/N | 2.29 | 1 | -23 |
| 1-week | 2.41 | 1 | -20 |
| 1-month | 2.58 | 0 | -27 |
| 3-month | 2.86 | 0 | -26 |
| 6-month | 3.05 | 1 | -19 |

RS Local Bonds

| | Last | ΔDbps | ΔYTD bps |
|--------|------|----------|----------|
| 3Y RSD | 3.53 | 0 | -75 |
| 5Y RSD | 3.94 | 5 | -30 |
| 7Y RSD | 4.42 | #N/A N/A | -77 |

RS Eurobonds

| | Last | ΔDbps | ΔYTD bps |
|------------|----------|----------|----------|
| USD Feb-20 | 3.98 | 1 | 99 |
| USD Nov-24 | #N/A N/A | #N/A N/A | -13164 |

CDS

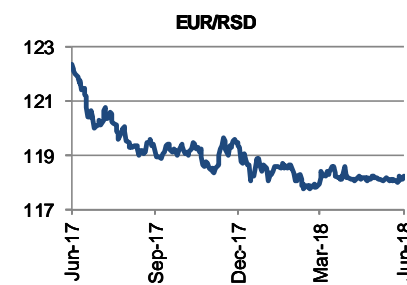
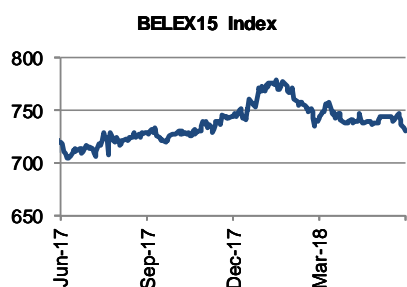
| | Last | ΔDbps | ΔYTD bps |
|---------|------|-------|----------|
| 5-year | 122 | 1 | 5 |
| 10-year | 169 | 1 | 7 |

STOCKS

| | Last | ΔD | ΔYTD |
|---------|-------|--------|--------|
| BELEX15 | 724.6 | -0.75% | -4.63% |

FOREX

| | Last | ΔD | ΔYTD |
|---------|--------|--------|-------|
| EUR/RSD | 118.25 | -0.15% | 0.56% |



ROMANIA

Money Market

| ROBOR | Last | ΔDbps | ΔYTD bps |
|----------|------|-------|----------|
| O/N | 2.73 | 0 | 164 |
| 1-month | 2.85 | 0 | 98 |
| 3-month | 2.9 | 0 | 85 |
| 6-month | 3 | 0 | 73 |
| 12-month | 3.11 | 0 | 79 |

RO Local Bonds

| | Last | ΔDbps | ΔYTD bps |
|---------|------|-------|----------|
| 3Y RON | 4.03 | 0 | 65 |
| 5Y RON | 4.57 | 0 | 79 |
| 10Y RON | 4.95 | 0 | 63 |

RO Eurobonds

| | Last | ΔDbps | ΔYTD bps |
|------------|------|-------|----------|
| EUR Oct-25 | 1.69 | 0 | 14 |
| USD Jan-24 | 4.30 | 0 | 130 |

CDS

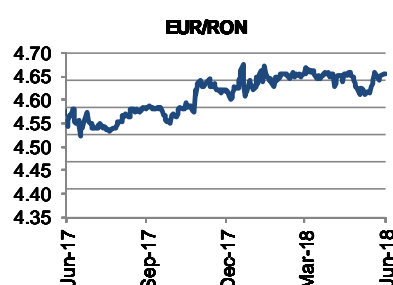
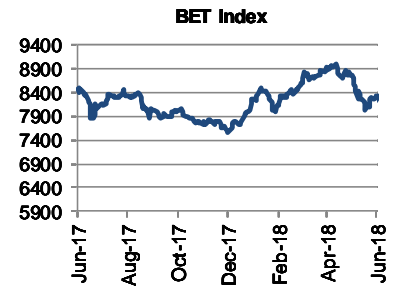
| | Last | ΔDbps | ΔYTD bps |
|---------|------|-------|----------|
| 5-year | 97 | -2 | 7 |
| 10-year | 141 | -2 | 8 |

STOCKS

| | Last | ΔD | ΔYTD |
|-----|--------|-------|-------|
| BET | 8315.2 | 0.28% | 7.24% |

FOREX

| | Last | ΔD | ΔYTD |
|---------|--------|--------|-------|
| EUR/RON | 4.6627 | -0.02% | 0.05% |



BULGARIA

Money Market

| SOFIBOR | Last | ΔDbps | ΔYTD bps |
|----------|-------|-------|----------|
| LEONIA | 0.01 | 0 | 1 |
| 1-month | -0.30 | 0 | -5 |
| 3-month | -0.23 | 0 | -5 |
| 6-month | -0.13 | -1 | -8 |
| 12-month | 0.22 | 0 | -10 |

BG Local Bonds

| (yields) | Last | ΔDbps | ΔYTD bps |
|----------|-------|-------|----------|
| 3Y BGN | -0.07 | 0 | 0 |
| 5Y BGN | 0.16 | 0 | 2 |
| 10Y BGN | 1.02 | 0 | 5 |

BG Eurobonds

| | Last | ΔDbps | ΔYTD bps |
|------------|------|-------|----------|
| EUR Mar-22 | 0.09 | 0 | 17 |
| EUR Sep-24 | 0.72 | 0 | 14 |

CDS

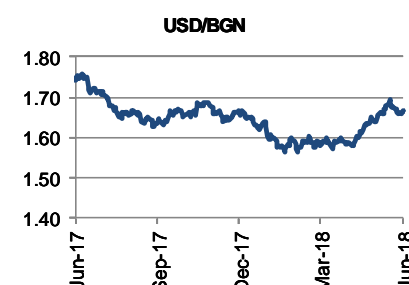
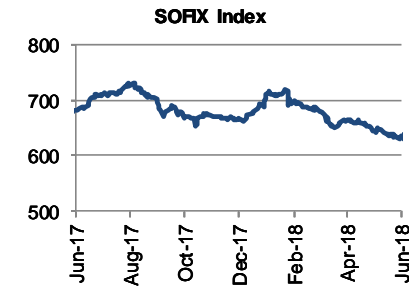
| | Last | ΔDbps | ΔYTD bps |
|---------|------|-------|----------|
| 5-year | 77 | 0 | -19 |
| 10-year | 123 | 0 | -19 |

STOCKS

| | Last | ΔD | ΔYTD |
|-------|-------|-------|--------|
| SOFIX | 635.6 | 0.52% | -6.18% |

FOREX

| | Last | ΔD | ΔYTD |
|---------|--------|-------|--------|
| USD/BGN | 1.6655 | 0.00% | -2.17% |



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 10:50 EEST

Wednesday 13 June 2018

Contributors

Paraskevi Petropoulou
Senior Economist, Eurobank Ergasias
+30 210 3718991
ppetropoulou@eurobank.gr

Galatia Phoka
Research Economist, Eurobank Ergasias
+30 210 3718922
gphoka@eurobank.gr

Ioannis Gkionis (Special Contributor)
Senior Economist, Eurobank Ergasias
++30 210 3337305
igkionis@eurobank.gr

Anna Dimitriadou
Economic Analyst, Eurobank Ergasias
+30 210 3718793
andimitriadou@eurobank.gr

Olga Kosma (Special Contributor)
Research Economist, Eurobank Ergasias
+30 210 3371227
okosma@eurobank.gr

Theodoros Stamatou (Special Contributor)
Senior Economist, Eurobank Ergasias
+ 30 210 3371228
tstamatou@eurobank.gr

Eurobank Economic Analysis and Financial Markets Research

Dr. Tasos Anastasatos: Group Chief Economist
tanastasatos@eurobank.gr, + 30 210 33 71 178

Research Team

Anna Dimitriadou: Economic Analyst
andimitriadou@eurobank.gr, + 30 210 3718 793

Marisa Yiannisis: Administrator
magiannisi@eurobank.gr+210 3371242

Ioannis Gkionis: Senior Economist
igkionis@eurobank.gr + 30 210 33 71 225

Dr. Stylianos Gogos: Economic Analyst
sgogos@eurobank.gr + 30 210 33 71 226

Olga Kosma: Research Economist
okosma@eurobank.gr + 30 210 33 71 227

Paraskevi Petropoulou: Senior Economist
ppetropoulou@eurobank.gr, + 30 210 37 18 991

Galatia Phoka: Research Economist
gphoka@eurobank.gr, + 30 210 37 18 922

Dr. Theodoros Stamatou: Senior Economist
tstamatou@eurobank.gr, + 30 210 33 71 228

Elia Tsiampaou: Economic Analyst
etsiampaou@eurobank.gr, +30 210 33 71 207

Eurobank Ergasias S.A, 8 Othonos Str, 105 57 Athens, tel: +30 210 33 37 000, fax: +30 210 33 37 190, email: Research@eurobank.gr

Eurobank Economic Analysis and Financial Markets Research

More research available at <https://www.eurobank.gr/en/group/economic-research>

- **7 Ημέρες Οικονομία:** Weekly review of the Greek economy
- **Greece Macro Monitor - Focus Notes:** Periodic publication on the latest economic & market developments in Greece
- **Economy & Markets:** Analysis & research on the Greek and international economy
- **Regional Economics & Market Strategy Monthly:** Monthly edition on economic & market developments in the region
- **Emerging Markets Special Focus Reports:** Periodic publication on specific EM economy and markets developments
- **Daily Overview of Global markets & the SEE Region:** Daily overview of key macro & market developments in Greece, regional economies & global markets
- **Global Macro Themes & Market Implications for the EA Periphery and the CESEE:** Monthly review of the international economy and financial markets
- **Global Markets Special Focus Reports:** Periodic publication on specific global economy and markets developments

Subscribe electronically at <https://www.eurobank.gr/el/omilos/oikonomikes-analuseis>

