

KEY UPCOMING DATA & EVENTS THIS WEEK

US

- Jul 2: ISM manuf (Jun)
- Jul 3
 - Factory orders (May)
 - Auto sales (Jun)
- Jul 4: Public Holiday
- Jul 5
 - Initial jobless claims (June 30)
 - ISM non-manuf (Jun)
 - ADP employment report (Jun)
 - Minutes of June FOMC meeting
- Jul 6
 - Trade balance (May)
 - Non-farm payrolls (Jun)

EUROZONE

- Jul 2
 - Unemployment rate (May)
 - PMI manuf, final (Jun)
- Jul 4: PMI services, final (May)
- Jul 5: German industrial orders (May)

GREECE

- Jul 2: PMI manufacturing (Jun)

SEE

ROMANIA

- July 2
 - Unemployment (May)
 - International Reserves (€bn, Jun)
- July 3
 - PPI (May)
 - Retail Sales (May)
- July 4: NBR policy meeting
- July 6: GDP (Q1-2018, second estimate)

CYPRUS

- July 4
 - Registered Unemployment (Jun)
 - Building permits (Apr)
- July 5: CPI (Jun)

SERBIA

- July 6: PPI Index (Jun)

Source: Reuters, Bloomberg,
Eurobank Research

HIGHLIGHTS

WORLD ECONOMIC & MARKET DEVELOPMENTS

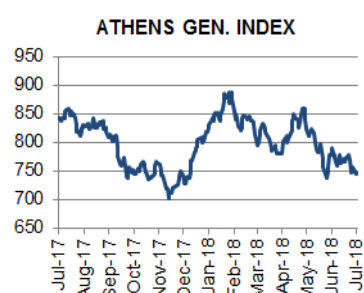
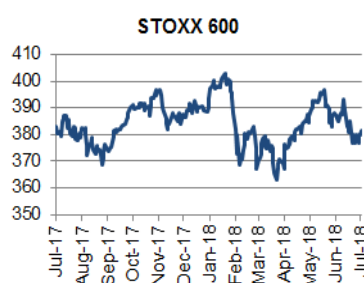
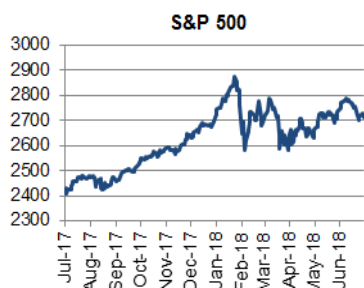
GLOBAL MARKETS: US tariffs on more than 800 imported goods from China worth \$34bn took effect earlier today, with China's Ministry of Commerce reportedly saying that it is forced to retaliate with tariffs on \$34bn imported US goods including autos and agricultural products. Already priced in by global markets, the imposition of US tariffs was absorbed peacefully with major equity indices trading in the black on Friday. In FX markets, the EUR/USD climbed to a three-week high of 1.1727 in Asian trade, capitalizing on strong German industrial orders and US Ambassador to Germany Richard Grenell's proposal to eliminate vehicle-import tariffs on both sides of the Atlantic. On the macro data front, market focus today centres on the US nonfarm payrolls for June, where consensus is for a 195k monthly rise following an increase of 223k in May.

GREECE: According to the study "The prospects of road tourism in Greece in 2018" released by SETE Intelligence, Greece ranks 1st among the touristic destinations for visitors from Serbia, Bulgaria, Turkey, Albania and FYROM and 2nd for visitors from Romania. According to the study "Digital payments after the capital controls: Support measures and tax revenues" published by the Foundation of Economic and Industrial Research (IOBE/FEIR), the use of payment cards in Greece more than tripled in value between 2014 and 2017.

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Latest world economic & market developments



Source: Reuters, Bloomberg, Eurobank Research

GLOBAL MARKETS

US tariffs on more than 800 imported goods from China worth \$34bn took effect earlier today, with China's Ministry of Commerce reportedly saying that it is forced to retaliate with tariffs on \$34bn imported US goods including autos and agricultural products. Meanwhile, hours before the imposition of US tariffs, US President Donald Trump warned that subsequent rounds of tariffs could be imposed on over \$500bn worth of Chinese goods. Already priced in by global markets, the imposition of US tariffs was absorbed peacefully with major equity indices trading in the black on Friday. The Stoxx Europe 600 Index was trading 0.2% higher at the time of writing, heading for a 0.7% weekly gain, with European automakers increasing the most in two years on Thursday after US Ambassador to Germany Richard Grenell's proposal to eliminate vehicle-import tariffs on both sides of the Atlantic. Turning to the minutes from the FOMC on June 12-13, Fed officials discussed the probability of a recession, acknowledging rising global trade tensions that could weigh on the US economy. In FX markets, the EUR/USD climbed to a three-week high of 1.1727 in Asian trade, capitalizing on strong German industrial orders and a softer trade rhetoric by Richard Grenell towards EU automakers. On the macro data front, market focus today centres on the US nonfarm payrolls for June, where consensus is for a 195k monthly rise following an increase of 223k in May. Most importantly, average hourly earnings are expected to come in at +0.3%MoM, which would lead to a YoY growth rate of 2.8% from 2.7% in the prior month.

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GREECE

According to the study "The prospects of road tourism in Greece in 2018" released by SETE Intelligence, Greece ranks 1st among the touristic destinations for visitors from Serbia, Bulgaria, Turkey, Albania and FYROM and 2nd for visitors from Romania. Visitors that came to Greece via road in 2017 reached 8.3 million accounting for more than 30% of total incoming visitors (excl. cruise). Meanwhile, according to the study "Digital payments after the capital controls: Support measures and tax revenues" published by the Foundation of Economic and Industrial Research (IOBE/FEIR), the use of payment cards in Greece more than tripled in value between 2014 and 2017. Their penetration took off after the imposition of capital controls (June 2015) and remained on an uptrend, further supported by Law 4446/2016. According to the study: 1) the aforementioned law had a statistically significant positive impact on card usage especially in the second half of 2017, and 2) the penetration of electronic payments had a significant positive impact on tax compliance, contributing at least 50% of the annual VAT revenues in 2017. However, card usage in Greece remains well below the EU average and presents significant heterogeneity among sectors and geographical areas.

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Friday 06 July 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	2736.61	0.9%	2.4%	EUR/USD	1.1705	0.1%	-2.5%	UST - 10yr	2.83	1	43	GOLD	1254	-0.3%	-3.7%
Nikkei 225	21788.14	1.1%	-4.3%	GBP/USD	1.3231	0.0%	-2.1%	Bund-10yr	0.30	0	-13	BRENT CRUDE	77	-0.4%	15.3%
STOXX 600	382.11	0.1%	-1.8%	USD/JPY	110.63	0.0%	1.9%	JGB - 10yr	0.03	-1	-2	LMEX	3079	-0.4%	-9.9%

SERBIA

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	2.30	2	-22
1-week	2.40	2	-21
1-month	2.61	2	-24
3-month	2.91	1	-21
6-month	3.04	0	-20

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	3.45	-2	-82
5Y RSD	4.00	4	-25
7Y RSD	4.39	0	-79

RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Feb-20	3.66	-1	67
USD Nov-24	#N/A N/A	#N/A N/A	-13164

CDS

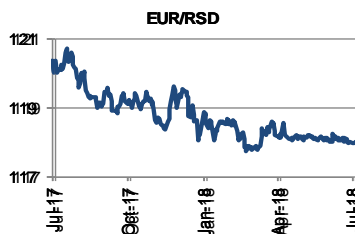
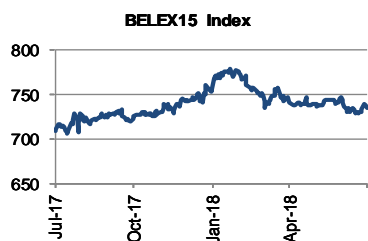
	Last	ΔDbps	ΔYTD bps
5-year	122	-1	4
10-year	174	-1	12

STOCKS

	Last	ΔD	ΔYTD
BELEX15	736.6	0.32%	-3.05%

FOREX

	Last	ΔD	ΔYTD
EUR/RSD	118.03	0.19%	0.74%



ROMANIA

Money Market			
ROBOR	Last	ΔDbps	ΔYTD bps
O/N	3.34	-6	225
1-month	3.39	0	152
3-month	3.39	0	134
6-month	3.47	1	120
12-month	3.53	1	121

RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	4.35	0	96
5Y RON	4.92	0	114
10Y RON	5.16	0	85

RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	1.66	#N/A N/A	7
USD Jan-24	4.20	-1	120

CDS

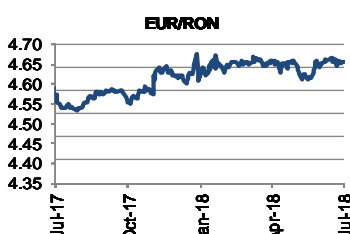
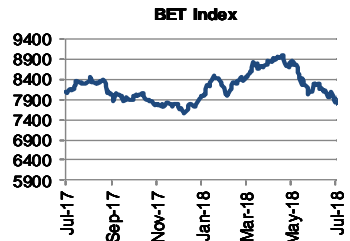
	Last	ΔDbps	ΔYTD bps
5-year	98	0	8
10-year	142	0	9

STOCKS

	Last	ΔD	ΔYTD
BET	7840.1	0.33%	1.11%

FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.6619	0.01%	0.06%



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	-0.12	0	-7
12-month	0.22	1	-10

BG Local Bonds

(yields)	Last	ΔDbps	ΔYTD bps
3Y BGN	-0.11	-1	-5
5Y BGN	0.11	0	-4
10Y BGN	0.94	0	-3

BG Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Mar-22	0.04	0	12
EUR Sep-24	0.62	0	4

CDS

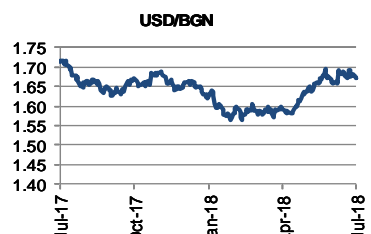
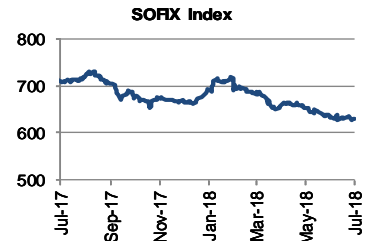
	Last	ΔDbps	ΔYTD bps
5-year	78	0	-18
10-year	126	0	-16

STOCKS

	Last	ΔD	ΔYTD
SOFIX	631.1	0.25%	-6.85%

FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.6709	0.13%	-2.48%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 12:40 EEST

Friday 06 July 2018

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