

KEY UPCOMING DATA & EVENTS THIS WEEK

US

- Aug 28: CB consumer confidence (Aug)
- Aug 29
 - Q2 GDP (2nd estimate)
 - Pending home sales (Jul)
- Aug 30:
 - Initial jobless claims (25 Aug)
 - Personal income & spending (Jul)
- Aug 31:
 - Chicago PMI (Aug)
 - UM consumer confidence (Aug)

EUROZONE

- Aug 27: German IFO business climate (Aug)
- Aug 28: Euro area M3 money supply (Jul)
- Aug 30:
 - German consumer prices (Aug, first Länder results)
 - Euro area economic & business sentiment (Aug)
- Aug 31:
 - Euro area consumer prices (Aug)
 - Euro area unemployment rate (Jul)

GREECE

- Aug 30: PPI (Jul)
- Aug 31: Retail sales (Jun)

SEE

BULGARIA

- Aug 28: Gross External Debt (Jun)
- Aug 31:
 - Consolidated State Budget Balance (Jul)
 - BNB policy meeting

CYPRUS

- Aug 14: GDP (Jun)
- Aug 17: CPI (Jul)

ROMANIA

- Aug 31: U/E (Jul)

SERBIA

- Aug 31
 - Industrial output (Jul)
 - GDP (Q2, final)
 - Trade balance (Jul)
 - Retail sales (Jul)

Source: Reuters, Bloomberg, Eurobank Research

HIGHLIGHTS

WORLD ECONOMIC & MARKET DEVELOPMENTS

GLOBAL MARKETS: Taking their cue from Asian bourses earlier today, major European equity markets were marginally higher in early trade on Wednesday as optimism over the US-Mexico trade deal was partially counterbalanced by market anxiety over a potential further escalation in the ongoing trade dispute between the world's two biggest economies. Meanwhile, US Treasuries came under renewed pressure in reaction to Tuesday's data showing a higher than expected rise in the US August CB consumer confidence index. In FX markets, the DXY index was slightly firmer on the day but still not far from Tuesday's intraday four week low of 94.434.

GREECE: According to the Bank of Greece, in July 2018, the annual growth rate of total credit extended to the economy stood at -2.5% from -2.4% in the previous month and the monthly net flow was negative at €856 million, compared with a positive net flow of €612 million in the previous month. The annual growth rate of total deposits stood at 10.1% from 10.0% in the previous month and the monthly net flow was positive at €1,128 million, compared with a positive net flow of €887 million in June 2018. The Greek PM Alexis Tsipras proceeded yesterday to a cabinet reshuffle, keeping, however, in place government officials in key ministries.

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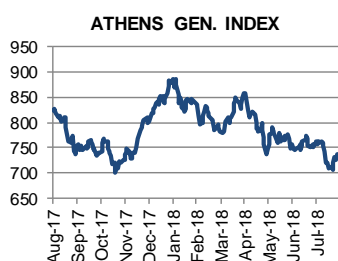
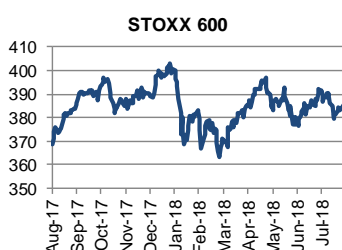
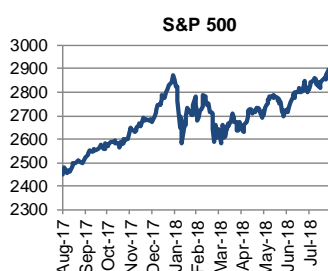
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Latest world economic & market developments

GLOBAL MARKETS

Taking their cue from Asian bourses earlier today, major European equity markets were marginally higher in early trade on Wednesday as optimism over the US-Mexico trade deal was partially counterbalanced by market anxiety over a potential further escalation in the ongoing trade dispute between the world's two biggest economies. Additional US tariffs of 25% on \$16bn worth of imported goods from China came into effect on 23 August and the public hearing on a second round of tariffs in Chinese imports worth \$200bn ends on 5 September with the new measure possibly being implemented in October. China has vowed to retaliate with equivalent tariffs against any US trade threat. According to press reports, the US and China have begun low-key trade discussions but a deal seems distant at this point as the US demands more concessions than those made by China in the agreement reached in May. Meanwhile, US Treasuries came under renewed pressure in reaction to Tuesday's data showing a higher than expected rise in the US August CB consumer confidence index to 133.4, the highest since October 2000 and up 5.5 points from July. The 10-yr US Treasury yield jumped to a multi-session intraday peak of 2.89% late on Tuesday before retreating to levels close to 2.87% today, remaining though more than 4bps higher so far this week. Tracking US Treasuries, German Bunds also came under renewed pressure with the 10-yr yield rising close to 0.40% late on Tuesday for the first time in around two weeks before easing to levels near 0.38% today, albeit still modestly higher on the day. Favored by higher Bund yields, EMU sovereign debt spreads narrowed on the day despite lingering fears over a potential budget clash between the EU and Italy in October, when the Italian government has to submit a draft budget to the EU for review. In FX markets, the DXY index was slightly firmer on the day but still not far from Tuesday's intraday four week low of 94.434.

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GREECE

According to the Bank of Greece, in July 2018, the annual growth rate of total credit extended to the economy stood at -2.5% from -2.4% in the previous month and the monthly net flow was negative at €856 million, compared with a positive net flow of €612 million in the previous month. The annual growth rate of credit to the private sector in particular stood at -1.5% from -1.2% in the previous month. The monthly net flow of credit to the private sector was negative at €998 million, compared with a positive net flow of €1,055 million in the previous month. At the same time the annual growth rate of total deposits stood at 10.1% from 10.0% in the previous month and the monthly net flow was positive at €1,128 million, compared with a positive net flow of €887 million in June 2018. On the political news front, the Greek PM Alexis Tsipras proceeded yesterday to a cabinet reshuffle, keeping, however, in place government officials in key ministries.

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Wednesday 29 August 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	2897.52	0.0%	8.4%	EUR/USD	1.1674	-0.2%	-2.8%	UST - 10yr	2.87	-1	46	GOLD	1203	0.2%	-7.7%
Nikkei 225	22848.22	0.2%	0.4%	GBP/USD	1.2884	0.1%	-4.7%	Bund-10yr	0.38	0	-5	BRENT CRUDE	76	-0.1%	13.5%
STOXX 600	385.70	0.1%	-0.9%	USD/JPY	111.2	0.0%	1.3%	JGB - 10yr	0.10	1	6	LME X	2998	0.9%	-12.3%

SERBIA

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	2.31	2	-21
1-week	2.43	2	-18
1-month	2.62	0	-23
3-month	2.90	-1	-22
6-month	3.08	0	-16

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	3.47	5	-80
5Y RSD	3.86	3	-38
7Y RSD	4.35	0	-83

RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Feb-20	3.78	0	78

CDS

	Last	ΔDbps	ΔYTD bps
5-year	111	-1	-6
10-year	150	-2	-13

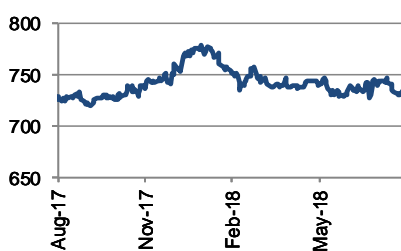
STOCKS

	Last	ΔD	ΔYTD
BELEX15	139.43	0.13%	-3.29%
BELEX15	734.8	0.13%	-3.29%

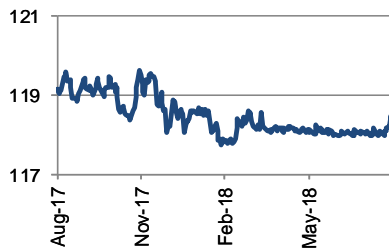
FOREX

	Last	ΔD	ΔYTD
EUR/RSD	118.40	0.06%	0.43%

BELEX15 Index



EUR/RSD



ROMANIA

Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	2.7	-2	161
1-month	3.18	0	131
3-month	3.24	-1	119
6-month	3.42	-1	115
12-month	3.54	-1	122

RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	3.91	0	53
5Y RON	4.34	0	56
10Y RON	4.78	0	47

RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	1.57	0	2
USD Jan-24	4.06	0	106

CDS

	Last	ΔDbps	ΔYTD bps
5-year	96	-1	6
10-year	139	-1	6

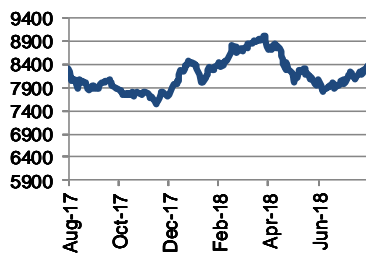
STOCKS

	Last	ΔD	ΔYTD
BET	8347.5	-0.31%	7.66%

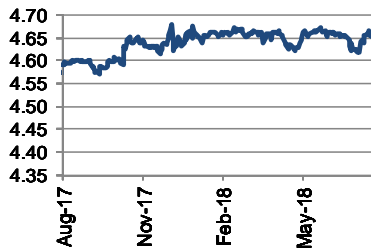
FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.6483	-0.10%	0.36%

BET Index



EUR/RON



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	-0.09	0	-3
5Y BGN	0.05	0	-9
10Y BGN	0.84	0	-13

BG Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Mar-22	-0.04	-1	3
EUR Sep-24	0.39	-1	-19

CDS

	Last	ΔDbps	ΔYTD bps
5-year	78	0	-19
10-year	123	-1	-18

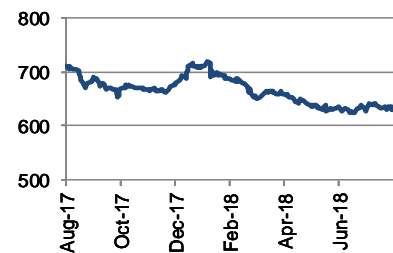
STOCKS

	Last	ΔD	ΔYTD
SOFIX	630.8	0.05%	-6.88%

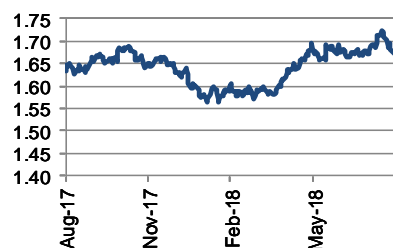
FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.6754	-0.19%	-2.75%

SOFIX Index



USD/BGN



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

Data updated as of 12:10 EEST

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