

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

December 2, 2019

Global Markets

Risk-on sentiment prevailed with global stock markets moving higher in early trade today, supported by market optimism that the US and China are close to signing a preliminary trade deal in spite of the US Hong Kong bill, which raised China's strong objection. Recent US data pointing to robust private consumption and core capital goods orders, tentative signs of improvement in German manufacturing industry and today's data showing that China's factory activity expanded in November at its quickest pace in almost three years, also favored risk sentiment. In reaction to global equity markets' positive performance, core government bonds weakened and the JPY came under pressure.

Greece

According to press, the plan for the gradual, full abandonment of lignite in electricity production is expected to be finalised in December. The plan broadly foresees that all lignite-fired production units will be gradually closed until 2028, starting with the first two in 2020. As regards Greece's commitments in the context of the EPPS framework, the target model appears to be on track for delivery in June 2020. However, from the point of view of competition, the latest EC report notes that Greece is still in breach of its anti-trust commitments in relation to PPC's dominant position in the electricity market. On the economic calendar, focus this week turns to November PMI Manufacturing, Q3-2019 GDP Provl. Est. and September unemployment.

CESEE

The EUR/RSD pair has traded in a trendless pattern between 117.47/57 and 117.55/65 during the past week, closing on Friday's session at the level of 117.50/60. Considering the National Bank of Serbia (NBS) consistency in intervening on the both sides of the 117.40-117.65 trading range, as well as the fact that there are no crucial macroeconomic events scheduled for the next week, EUR/RSD is most likely to continue trading around 117.50/60 in the coming days. On the macro-data front, "the unemployment rate dropped to below 10% for the first time since we started recording it, reaching 9.5%", President Vucic said adding that "For the first time since we began tracking it in 1995, the unemployment rate is lower than 10% and stands at 9.5%".

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GLOBAL MARKETS
Stock markets

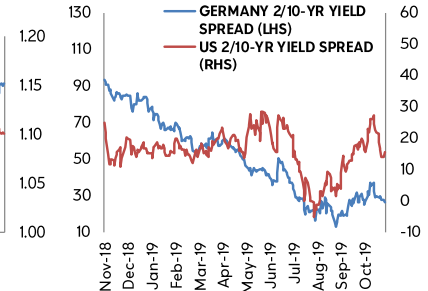
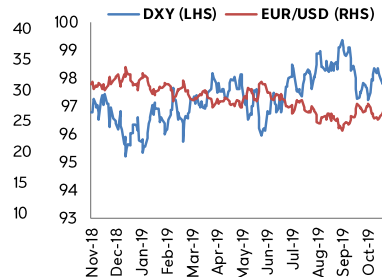
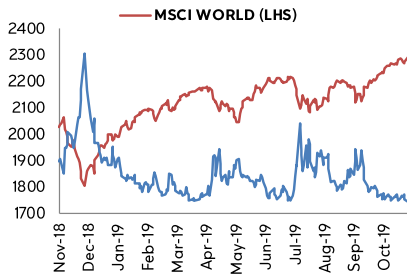
	Last	ΔD	ΔYTD
S&P 500	3140.98	-0.40%	25.3%
Nikkei 225	23529.50	1.0%	17.6%
STOXX 600	407.43	-0.4%	20.7%

FOREX

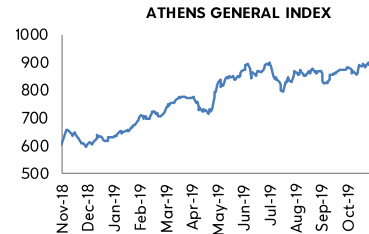
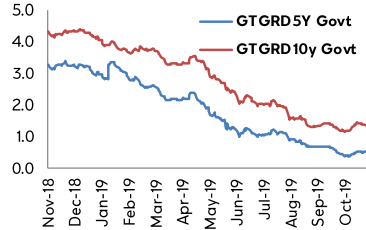
	Last	ΔD	ΔYTD
EUR/USD	1.1019	0.0%	-3.9%
GBP/USD	1.2916	-0.1%	1.2%
USD/JPY	109.6	-0.1%	0.1%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.83	6	-85
Bund-10yr	-0.31	5	-55
JGB - 10yr	-0.04	3	-5


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.57	0	-261
10Y Bond	1.43	0	-292
Δ(10YBund-10YGGB)	1.74	0	-237


EMERGING MARKETS
Stock markets

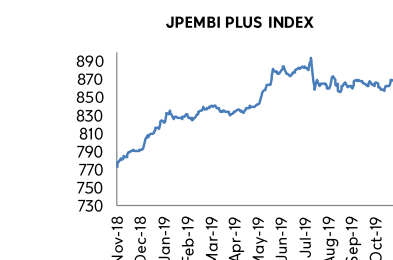
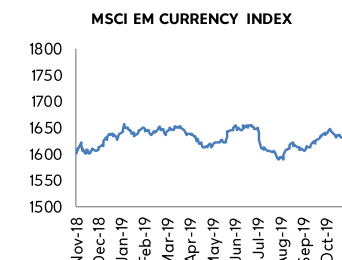
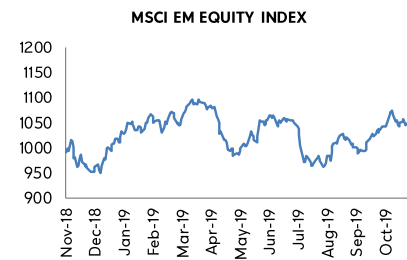
	Last	ΔD	ΔYTD
SOFIX	546.57	0.6%	-8.1%
BELEX	770.92	-0.1%	121.2%
XU100	107636.50	0.7%	1793.1%

FOREX

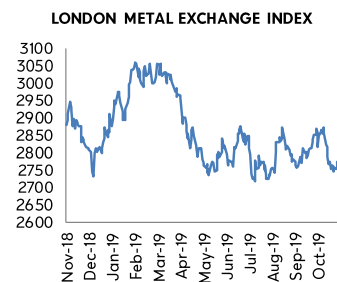
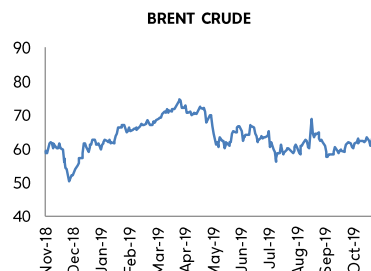
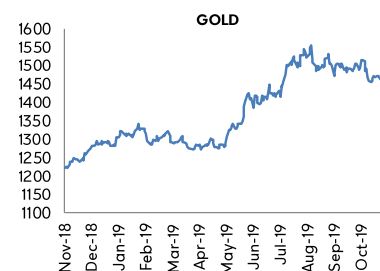
	Last	ΔD	ΔYTD
EUR/PLN	4.3098	0.2%	-0.5%
EUR/RSD	117.604	-0.1%	0.6%
USD/TRY	5.7377	0.2%	-7.8%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.41	-4	-70
BG 8Y yield	0.13	0	-34
PL 10Y yield	2.00	0	-81


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1459	-0.4%	13.8%
BRENT CRUDE	61	1.1%	13.7%
LME	2749	-0.2%	-1.9%



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