

### KEY UPCOMING DATA & EVENTS THIS WEEK

#### US

- Apr 01:
  - Retail Sales less Autos (Feb.)
  - ISM Manufacturing (Mar.)
  - Construction Spending (Feb.)
- Apr 02: Durable Goods Orders (Feb.prel.)
- Apr 03:
  - MBA Mortgage Applications (29/03)
  - ADP Employment Change (Mar.)
  - Markit Services and Composite PMI (Mar.)
  - ISM Non-Manufacturing Index (Mar.)
- Apr 04:
  - Initial Jobless Claims (30/03)
  - Continuing Claims (23/03)
- Apr 05:
  - Change in Nonfarm Payrolls (Mar.)
  - Unemployment Rate (Mar.)
  - Average Hourly Earnings (Mar.)
  - Consumer Credit (Feb.)

#### EUROZONE

- Apr 01:
  - Markit Manufacturing PMI (Mar.)
  - Unemployment Rate (Feb.)
  - CPI Core (Mar.adv.)
- Apr 03:
  - Markit Services and Composite PMI (Mar.)
  - Retail Sales (Feb.)

#### GREECE

- Apr 01: Markit Manufacturing PMI (Mar.)

#### SEE

#### CYPRUS

- Apr 01: CPI (Mar.)

#### ROMANIA

- April 01: Unemployment rate (Feb.)
- April 02: KPR Meeting
- April 05: Retail Sales (Feb)

Source: Reuters, Bloomberg, Eurobank Research

## HIGHLIGHTS

### WORLD ECONOMIC & MARKET DEVELOPMENTS

**GLOBAL MARKETS:** The majority of Asian bourses ended to fresh multi-month highs earlier today and major European bourses retained a cautiously positive tone in early trade on somewhat easing global growth concerns following positive factory activity data from the world's two biggest economies earlier this week. Signs of progress in US/China trade talks and the latest UK political developments that appear to reduce the risk of a no-deal Brexit, also underpinned market sentiment towards risk assets. In a televised statement last night after a seven-hour marathon meeting with her cabinet, UK PM Theresa May announced that she will ask the EU27 leaders next week for a further short extension to the Article 50 deadline beyond April 12 that should, however, be "as short as possible". She also offered to hold talks with the Labour Party leader as soon as possible to try to find common ground on a Brexit plan. On the data front, today's major releases include the ADP employment survey in the US ahead of Friday's March labor market report.

**GREECE:** According to the official agenda, the 5 April Eurogroup will be briefed on the progress made by Greek authorities on the implementation of reform commitments that were pending at the time of the previous Eurogroup meeting and may decide on the approval or not of the implementation of the further medium term debt relief measures, including the return of SMP/ANFA profits. Meanwhile, the deadline for the submission of binding offers for the 50.1% in the share capital (jointly by HRADF and Paneuropean Oil and Industrial Holdings S.A.) of Hellenic Petroleum S.A. (HELPE) expires today but, according to press, an extension cannot be excluded.

### SOUTH EASTERN EUROPE

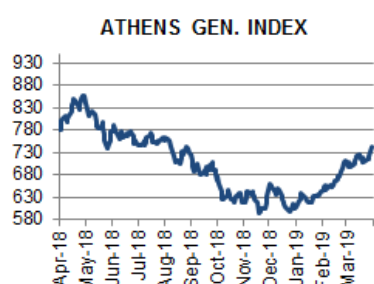
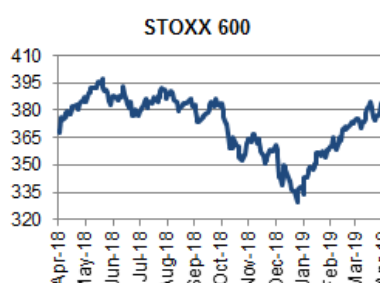
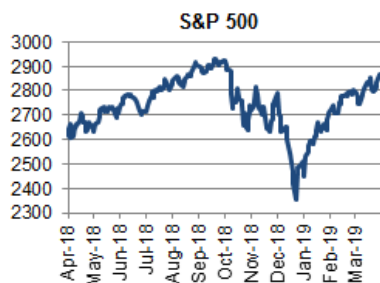
**CYPRUS:** Unemployment declined to 7.4% in January 2019, posting the biggest decline among EA19 members. According to latest fiscal results, the general government surplus stood at 1.9% of GDP in Jan-Feb 2019 vs. a 1.2% surplus in Jan-Feb 2018.

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## Latest world economic & market developments

### GLOBAL MARKETS



Source: Reuters, Bloomberg, Eurobank Research

The majority of Asian bourses ended to fresh multi-month highs earlier today and major European bourses retained a cautiously positive tone in early trade on somewhat easing global growth concerns following positive factory activity data from the world's two biggest economies earlier this week. Signs of progress in US/China trade talks also underpinned market sentiment towards risk assets. After the two sides reported progress in the latest round of talks in Beijing in late March, discussions resumed on Wednesday in Washington. US President Donald Trump repeated earlier this week that trade talks are going "very well" but, according to various newswires, differences over an enforcement mechanism and the removal of US tariffs prevail, and a meeting between the US President and his Chinese counterpart for a final trade agreement may be pushed back to June. The latest UK political developments that appear to reduce the risk of a no-deal Brexit also helped. In a televised statement last night after a seven-hour marathon meeting with her cabinet, UK PM Theresa May announced that she will ask the EU27 leaders next week for a further short extension to the Article 50 deadline beyond April 12 that should, however, be "as short as possible". She also offered to hold talks with the Labour Party leader as soon as possible to try to find common ground on a Brexit plan. Against this background, equity markets shrugged off a wave of negative news, including comments by IMF Managing Director Christine Lagarde of a "delicate moment" for the global economy and the WTO's downward revision in 2019 global trade growth to 2.6% compared to 3.7% projected previously from 3.0% in 2018. In reaction to global equity markets' positive tone, core fixed income markets came under pressure, with the 10-yr UST yield hitting a multi-session intraday high of 2.524% earlier today, some 5bps higher on the day and up c. 18bps from recent 15-month lows (28 March). In FX markets, the USD lost some ground, with the DXY index standing close to 97.65 in early European trade at the time of writing, 0.3% lower on the day and down 0.5% from yesterday's 3½-week intraday high. Favored by the USD's broad-based weakness, the EUR/USD rebounded close to 1.1250 earlier today, after falling to as low as 1.1180 yesterday, the lowest level since the 7 March ECB monetary policy meeting. The GBP also gained some ground, testing levels close to 1.3200 against the USD earlier today for the first time since 28 March, and the EUR/GBP weakened close to 0.8500. On the data front, today's major releases include the ADP employment survey in the US ahead of Friday's March labor market report.

[ppetropoulou@eurobank.gr](mailto:ppetropoulou@eurobank.gr)

### GREECE

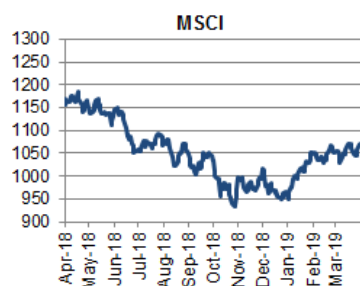
According to the official agenda, the 5 April Eurogroup will be briefed on the progress made by Greek authorities on the implementation of reform commitments that were pending at the time of the previous Eurogroup meeting. The new household insolvency framework will likely be central to the discussions and could determine the approval or not of the implementation of the further medium term debt relief measures, including the return of SMP/ANFA profits. Meanwhile, the deadline for the submission of binding offers for the 50.1% in the share capital (jointly by HRADF and Paneuropean Oil and Industrial Holdings S.A.) of Hellenic Petroleum S.A. (HELPE) expires today but, according to press, an extension cannot be excluded. Two consortia have been qualified to participate in the second phase of the tender: a) Glencore Energy UK LTD and "CIEP Participations S.a. r.l. SICAR" of the Carlyle Group, and b) Vitol Holding BV and "Société Nationale pour la Recherche, à la Production, Transport, Transformation et Commercialization des Hydrocarbures" (Sonatrach).

[andimitriadou@eurobank.g2](mailto:andimitriadou@eurobank.g2)

Wednesday 03 April 2019

BULGARIA: Indicators	2016	2017e	2018f
Real GDP growth %	3.9	3.8	3.8
CPI (pa, yoy %)	-0.8	2.1	2.4
Budget Balance/GDP*	1.6	0.8	-1.0
Current Account/GDP	5.4	5.0	4.5
EUR/BGN (eop)	1.9558		
	2016	current	2017
Policy Rate (eop)	N/A	N/A	N/A

\* on a cash basis

Source: Reuters, Bloomberg, Eurobank Research,  
National Authorities

Credit Ratings			
L-T ccy	Moody's	S&P	Fitch
SERBIA	Ba3	BB	BB
ROMANIA	Baa3	BBB-	BBB-
BULGARIA	Baa2	BBB-	BBB
CYPRUS	Ba2	BBB-	BB+

## Latest economic & market developments in the CESEE region

### CYPRUS

According to the latest labor market statistics released by EUROSTAT, unemployment on a seasonally adjusted basis declined further to 7.1% in February 2019 compared to 7.3% in January 2019 down from 7.4% in December, 7.8% in November and 9.4% in February 2018. The decline recorded on an annual basis in February is the largest among other EA19 & EU 28 members and at par with that of Spain. Having climbed as high as 16.7% in October 2013, unemployment has been on a firm declining trend so that it now stands visibly below the EA19 levels (7.8% in January 2019). Unemployment in Cyprus is now the seventh highest in EU-28, behind Greece, Spain, Italy, France, Croatia and Latvia as of February. According to the preliminary fiscal results released by CYSTAT, the general government recorded a €407,3mn surplus in Jan-Feb 2019 compared to a €254,3mn surplus in the same period a year ago. As a percentage of GDP, the general government surplus stood at 1.9% of GDP in 2M-2019 vs. a 1.2% surplus in 2M-2018.

[igkionis@eurobank.gr](mailto:igkionis@eurobank.gr)

Wednesday 03 April 2019

## 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	2867.24	0.0%	14.4%	EUR/USD	1.1223	0.2%	-2.1%	UST - 10yr	2.51	4	-17	GOLD	1291	-0.1%	0.7%
Nikkei 225	21713.21	1.0%	8.5%	GBP/USD	1.3188	0.4%	3.4%	Bund-10yr	-0.01	4	-26	BRENT CRUDE	70	0.6%	29.7%
STOXX 600	387.66	0.7%	14.8%	USD/JPY	111.54	-0.2%	-1.6%	JGB - 10yr	-0.05	2	-5	LMEX	3023	-0.9%	7.9%

## SERBIA

## Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	2.29	0	-15
1-week	2.40	-1	-16
1-month	2.61	-3	-12
3-month	2.95	-2	-8
6-month	3.07	-3	-11

## RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	3.17	-1	10
5Y RSD	3.78	0	27
7Y RSD	4.02	0	-13

## RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Feb-20	3.46	-1	-54

## CDS

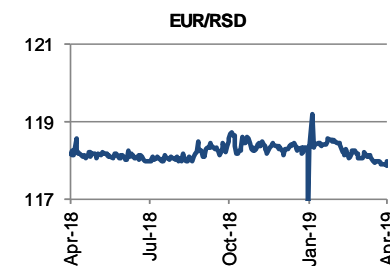
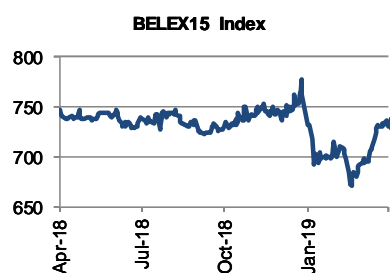
	Last	ΔDbps	ΔYTD bps
5-year	110	0	-8
10-year	156	0	-6

## STOCKS

	Last	ΔD	ΔYTD
BELEX15	729.5	-1.01%	-4.23%

## FOREX

	Last	ΔD	ΔYTD
EUR/RSD	118.20	-0.10%	0.03%



## ROMANIA

## Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	3.48	0	239
1-month	3.23	0	136
3-month	3.23	0	118
6-month	3.32	0	105
12-month	3.53	0	121

## RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	3.77	0	-27
5Y RON	4.41	0	7
10Y RON	4.90	0	9

## RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	1.46	-	-8
USD Jan-24	3.39	2	-84

## CDS

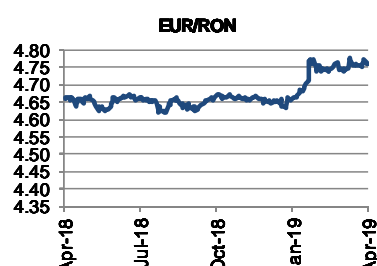
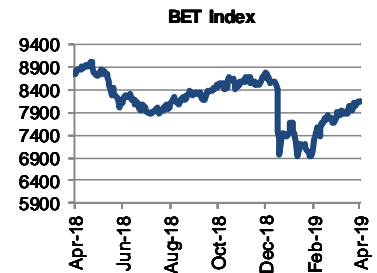
	Last	ΔDbps	ΔYTD bps
5-year	116	0	26
10-year	166	0	32

## STOCKS

	Last	ΔD	ΔYTD
BET	8148.1	0.03%	10.35%

## FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.7583	0.01%	-2.19%



## BULGARIA

## Money Market

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	0.01	0	1
1-month	-0.22	8	3
3-month	-0.14	9	4
6-month	-0.02	10	3
12-month	0.36	14	4

## BG Local Bonds

(yields)	Last	ΔDbps	ΔYTD bps
3Y BGN	-0.29	-1	-24
5Y BGN	-0.01	0	-12
10Y BGN	0.54	0	-21

## BG Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Mar-22	-0.09	0	-4
EUR Sep-24	0.17	0	-31

## CDS

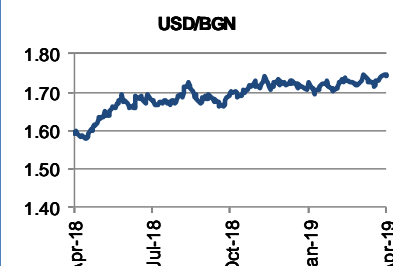
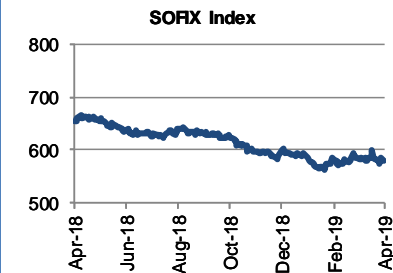
	Last	ΔDbps	ΔYTD bps
5-year	81	1	-15
10-year	121	1	-21

## STOCKS

	Last	ΔD	ΔYTD
SOFIX	579.8	0.00%	-2.47%

## FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.7428	0.14%	-2.14%



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

Data updated as of 10:05 EES

Webinars 2019  
**Contributors**

**Paraskevi Petropoulou**  
Senior Economist, Eurobank  
Ergasias  
+30 210 3718991  
[ppetropoulou@eurobank.gr](mailto:ppetropoulou@eurobank.gr)

**Ioannis Gkionis**  
Senior Economist, Eurobank  
Ergasias  
+30 210 3337305  
[igkionis@eurobank.gr](mailto:igkionis@eurobank.gr)

**Anna Dimitriadou**  
Economic Analyst, Eurobank  
Ergasias  
+30 210 3718793  
[andimitriadou@eurobank.gr](mailto:andimitriadou@eurobank.gr)

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

**Stelios Gogos**  
(Special Contributor)  
Economic Analyst, Eurobank  
Ergasias  
+30 210 3371226  
[sgogos@eurobank.gr](mailto:sgogos@eurobank.gr)

**Theodoros Stamatiou**  
(Special Contributor)  
Senior Economist, Eurobank  
Ergasias  
+30 210 3371228  
[tstamatiou@eurobank.gr](mailto:tstamatiou@eurobank.gr)

**Maria Kasola**  
(Special Contributor)  
Economic Analyst, Eurobank  
Ergasias  
+30 210 3371224  
[mkasola@eurobank.gr](mailto:mkasola@eurobank.gr)

## Eurobank Economic Analysis and Financial Markets Research

**Dr. Tasos Anastasatos: Group Chief Economist**  
[tanastasatos@eurobank.gr](mailto:tanastasatos@eurobank.gr), +30 210 33 71 178

### Research Team

**Anna Dimitriadou: Economic Analyst**  
[andimitriadou@eurobank.gr](mailto:andimitriadou@eurobank.gr), +30 210 3718 793

**Marisa Yiannisis: Administrator**  
[magiannisi@eurobank.gr](mailto:magiannisi@eurobank.gr), +210 3371242

**Ioannis Gkionis: Senior Economist**  
[igkionis@eurobank.gr](mailto:igkionis@eurobank.gr), +30 210 33 71 225

**Dr. Stylianos Gogos: Economic Analyst**  
[sgogos@eurobank.gr](mailto:sgogos@eurobank.gr), +30 210 33 71 226

**Maria Kasola: Economic Analyst**  
[mkasola@eurobank.gr](mailto:mkasola@eurobank.gr), +30 210 3371224

**Olga Kosma: Research Economist**  
[okosma@eurobank.gr](mailto:okosma@eurobank.gr), +30 210 33 71 227

**Paraskevi Petropoulou: Senior Economist**  
[ppetropoulou@eurobank.gr](mailto:ppetropoulou@eurobank.gr), +30 210 37 18 991

**Dr. Theodoros Stamatiou: Senior Economist**  
[tstamatiou@eurobank.gr](mailto:tstamatiou@eurobank.gr), +30 210 3371228

**Elia Tsiampaou: Economic Analyst**  
[etsiampaou@eurobank.gr](mailto:etsiampaou@eurobank.gr), +30 210 3371207

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](mailto:Research@eurobank.gr)

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