

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

November 4, 2019

Global Markets

Global equity markets started the week on a positive note, amid rising optimism over trade talks and better-than-expected US October payroll data. US Commerce Secretary, Wilbur Ross sounded optimistic on the “phase one” US/China trade deal being signed this month, adding that there have been “good conversations” between the US and automakers from the EU, Japan and Korea. In FX markets, after trying to rally on Friday following the positive news from a firm increase of 128k in nonfarm payrolls plus another 95k positive revisions to previous months, the DXY dollar index fell intraday to a three-month low of 97.107 due to a soft manufacturing survey, before consolidating around levels of 97.240 in early European trade on Monday. Against this backdrop, the EUR/USD moved sideways near 1.1160, ahead of the first speech from new ECB President Christine Lagarde later today. In a rather light week in terms of data, European manufacturing PMIs and US non-manufacturing/European ISM/PMIs on Tuesday and Wednesday, respectively, are expected to lure market attention.

Greece

On Friday, DBRS, a rating agency, kept the Greek sovereign’s rating unchanged at BB, three notches below investment grade, but changed its respective outlook from stable to positive, on the basis of the steps taken by the Greek government regarding the early repayment of the IMF and the Hercules asset protection scheme for the resolution of NPLs.

CESEE

SERBIA: The EUR/RSD remained bound within a 117.50 -117.55 trading range in the past week. The EUR/RSD pair continued to test the 117.50 support level and kept its stability, all thanks to the generous interventions of the National Bank of Serbia (NBS). In order to halt the domestic currency’s appreciation, NBS bought €55mn in the past week, bringing the total year-to-date amount at €2.5bn. Overall, the EUR/RSD short-term outlook remains unchanged as the pair continues to trade range-bound, albeit now at a narrower margin of 117.50-117.60. On a mid-term perspective, it is likely that EUR/RSD could reach 117.50 in 1-month and 117.65 in 2-months. In other news, the President of the Republic Aleksandar Vucic said in a TV interview that GDP growth accelerated to 4.7% YoY in Q3-2019 up from 4.4% YoY in the previous quarter.

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GLOBAL MARKETS
Stock markets

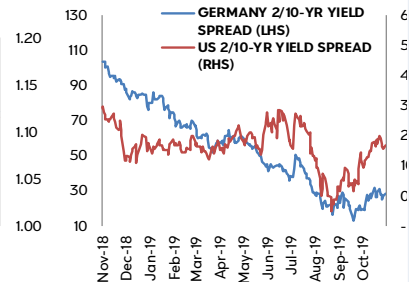
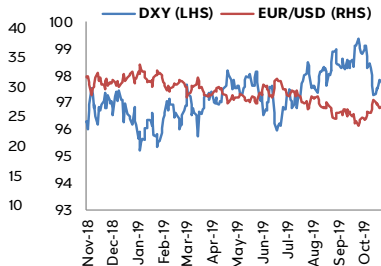
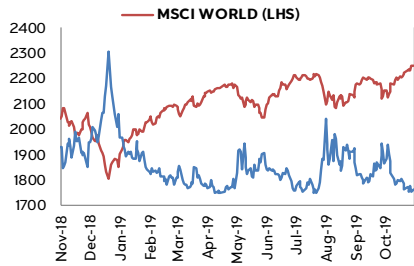
	Last	ΔD	ΔYTD
S&P 500	3066.91	0.97%	22.3%
Nikkei 225	22850.77	-0.3%	14.2%
STOXX 600	401.40	0.5%	18.9%

FOREX

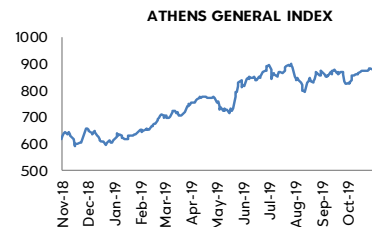
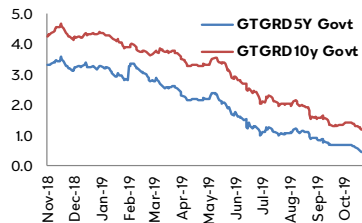
	Last	ΔD	ΔYTD
EUR/USD	1.1162	0.0%	-2.7%
GBP/USD	1.2932	0.0%	1.3%
USD/JPY	108.37	-0.2%	1.2%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.75	4	-94
Bund-10yr	-0.36	2	-61
JGB - 10yr	-0.18	0	-18


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.39	-1	-279
10Y Bond	1.18	0	-317
Δ(10YBund-10YGGB)	1.54	0	-257


EMERGING MARKETS
Stock markets

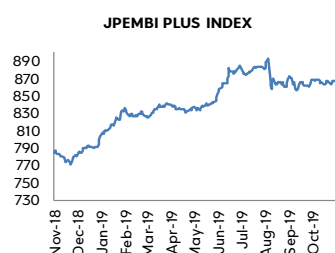
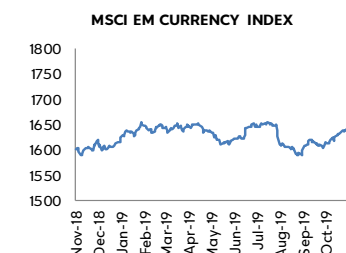
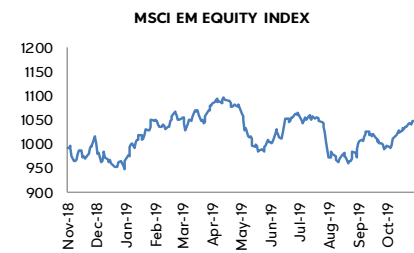
	Last	ΔD	ΔYTD
SOFIX	554.77	0.0%	-6.7%
BELEX	750.96	0.0%	-140.9%
XU100	99684.42	1.2%	921.9%

FOREX

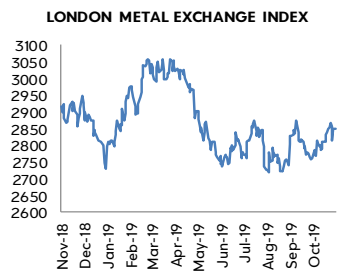
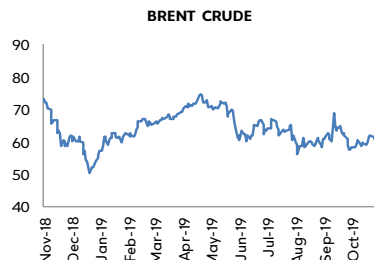
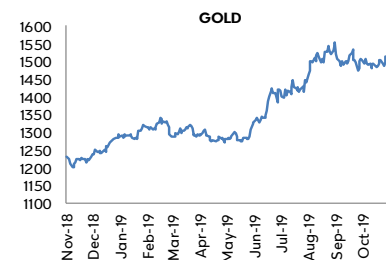
	Last	ΔD	ΔYTD
EUR/PLN	4.2523	0.0%	0.9%
EUR/RSD	117.475	0.1%	0.7%
USD/TRY	5.6991	0.2%	-7.2%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.49	-7	-62
BG 8Y yield	0.16	1	-32
PL 10Y yield	1.98	1	-84


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1511	-0.2%	17.8%
BRENT CRUDE	62	-0.1%	14.6%
LME X	2848	1.2%	1.7%



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