

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

December 4, 2019

Global Markets

Global risk sentiment worsened and core government bonds firmed on the back of fading hopes for a near-term preliminary US/China trade deal. US President Donald Trump warned that a trade deal may have to wait until after the US Presidential election in November 2020 and US Commerce Secretary Wilbur Ross clarified that the two sides still need to work out details, reiterating that the US administration intends to impose a new round of tariffs on Chinese goods on 15 December if there is no deal or substantial progress in trade talks by then. In FX markets, safe-haven currencies climbed, with the JPY hitting a two-year high of 108.47 against the USD and the CHF gaining ground against both the USD and the EUR.

Greece

Speaking at the American - Hellenic Chamber of Commerce conference yesterday, the Minister of Finance Christos Staikouras stated the intention of the government to submit to Parliament the new framework (Hercules) for the reduction of bad loans next week. He also expressed optimism that with the activation of Hercules the reduction of NPLs may exceed 40% of the existing, end-of-year stock of NPLs. As regards economic policy in the period ahead, he laid out the five main goals as follows: 1) expand and improve domestic production, 2) adhere to the agreed fiscal targets, 3) stabilise the financial system, 4) strengthen the capital market, and 6) enhance liquidity in the real economy.

CESEE

Bulgaria: The Producers Price Index (PPI) slowed to 3.8% YoY in October down from 4.5% YoY in September, recording the highest rate among EU-28 members. Standard and Poor's raised the long-term sovereign rating of the country by one notch to BBB from BBB- with a positive outlook. The rating agency cited the resilient economic performance of the country without building macroeconomic imbalances as the main driver behind its decision. At the same time, it acknowledged that the country's fiscal and external balance sheets are strong, and progress on entering the ERM II steadfast. The positive outlook of the ratings reflects the expectations of S&P that Bulgaria's progressively strengthening fiscal and external position will continue as the country grows albeit in a weaker global environment.

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GLOBAL MARKETS

Stock markets

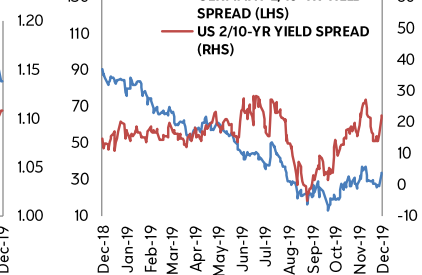
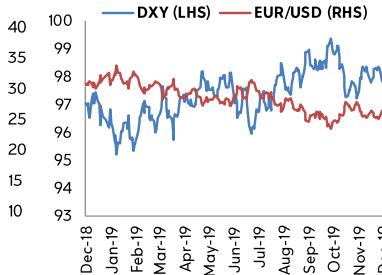
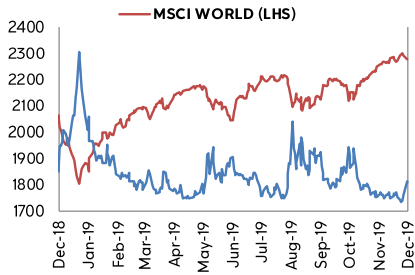
	Last	ΔD	ΔYTD
S&P 500	3093.20	-0.66%	23.4%
Nikkei 225	23135.23	-1.0%	15.6%
STOXX 600	399.17	0.2%	18.2%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1083	0.0%	-3.4%
GBP/USD	1.3036	0.3%	2.2%
USD/JPY	108.46	0.2%	1.1%

Government Bonds

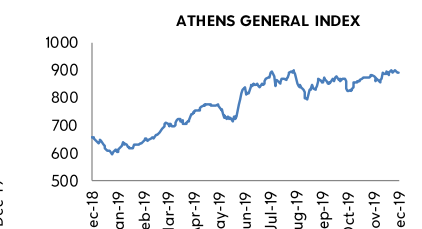
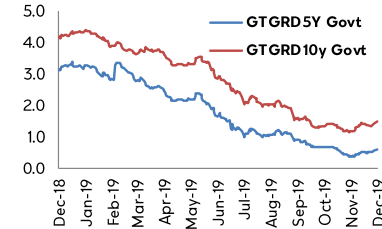
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.70	-1	-98
Bund-10yr	-0.36	-1	-60
JGB - 10yr	-0.04	-2	-4



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.62	0	-256
10Y Bond	1.53	0	-282
Δ(10YBund-10YGGB)	1.89	0	-222



EMERGING MARKETS

Stock markets

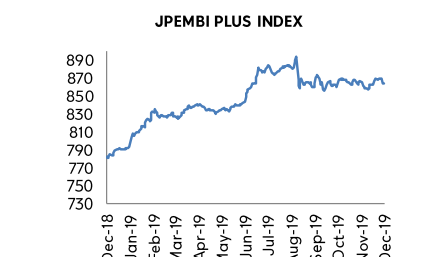
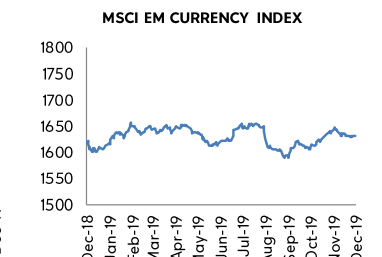
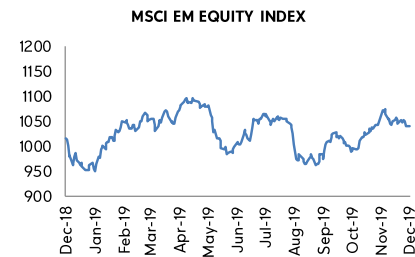
	Last	ΔD	ΔYTD
SOFIX	544.24	0.0%	-8.4%
BELEX	770.96	0.0%	121.7%
XU100	107276.80	0.5%	1753.7%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.2809	0.1%	0.2%
EUR/RSD	117.599	0.0%	0.6%
USD/TRY	5.749	-0.1%	-8.0%

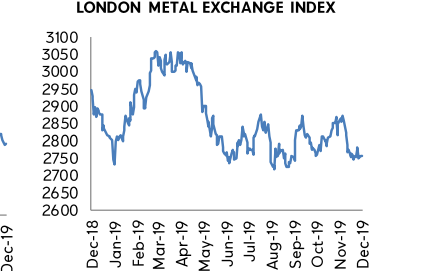
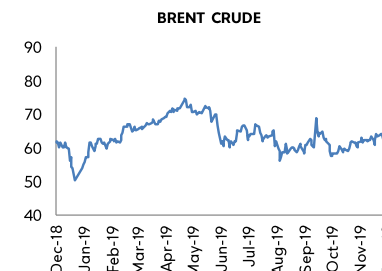
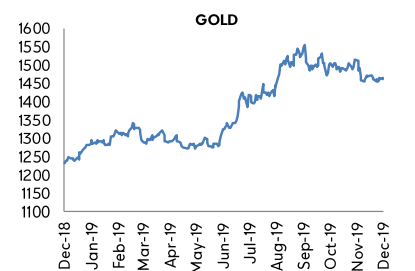
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.44	-4	-67
BG 8Y yield	0.14	0	-34
PL 10Y yield	1.98	-1	-83



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1483	0.4%	15.6%
BRENT CRUDE	61	0.6%	13.7%
LMEX	2720	-1.3%	-2.9%



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