

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

August 6, 2019

Global markets

Following the negative performance on Wall Street overnight, with US equity indices recording their worst day of the year, Asian stocks extended recent losses on Tuesday after the US Treasury designated China as a “currency manipulator”. Following the PBOC’s move to set the yuan fixing at a firmer-than-expected 6.9683 (vs. market expectations for 6.9871), Asian equity markets pared some losses, while the offshore yuan pulled back to around 7.0650 against the US dollar in European trade on Tuesday, having weakened to a decade low of 7.1400. Elsewhere, the safe haven yen firmed, with the USD/JPY plunging to a seven-month low of 105.520 before retreating modestly to around 106.350 at the time of writing. The 10yr US Treasury yield extended its recent fall overnight and declined to 1.672%, its lowest level since October 2016, as futures markets currently price in 67bps of rate cuts by the Fed through year-end vs. 34bps of cuts priced in roughly a week ago.

Greece

According to the General Government data published y-day, the stock of the general government arrears to the private sector, including tax arrears, at the end of June 2019 was at €2.2 bn (€1.7 bn excluding tax arrears) almost unchanged on a monthly basis. All categories of the General Government arrears remained unchanged with the exception of hospitals and social security funds’ arrears that registered a monthly increase of 5.4% and a monthly decrease of -1.3% respectively. Compared to their recent peak in August 2017 (€6.0 bn) general government arrears, including tax arrears, registered a decrease of -63.8%. The government, according to Christos Staikouras, the Minister of Finance, is preparing a plan for the full clearance of the arrears.

CESEE

Bulgaria: The blue chip index SOFIX continued to slide downwards closing -0.7% lower over the past week at 580.08 points, amid volume of €1.9mn. External bond yields dropped across the board, with the longer end of the curve seeing the most significant changes – 2027 and 2028 tenors dropped by 5 and 9 bps respectively, while the 2035 papers dropped by 5 bps. Local papers remained largely unchanged over the week, with 2-3 bps changes across all maturities. The Ministry of Finance reopened the 10 year bonds with an auction held on July 29th, and successfully placed an additional €100mn bringing the total amount of new bond issues for the year at €350mn.

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We would like to thank Ruslan Raychev from Eurobank Bulgaria for his valuable contribution in today's issue.

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	2844.74	-3.0%	13.5%	EUR/USD	1.1205	0.0%	-2.3%	UST - 10yr	1.76	5	-92	GOLD	1461	-0.2%	13.9%
Nikkei 225	20585.31	-0.7%	2.9%	GBP/USD	1.2184	0.3%	-4.5%	Bund-10yr	-0.52	-1	-77	BRENT CRUDE	60	0.3%	11.5%
STOXX 600	368.91	-0.1%	9.3%	USD/JPY	106.43	-0.4%	3.1%	JGB - 10yr	-0.18	1	-19	LMEX	2725	-0.4%	-2.7%

SERBIA
Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	1.77	0	-67
1-week	1.86	-1	-70
1-month	2.14	0	-59
3-month	2.41	0	-62
6-month	2.61	0	-57

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	2.58	-1	-48
5Y RSD	3.12	0	-38
7Y RSD	3.27	0	-88

RS Eurobonds

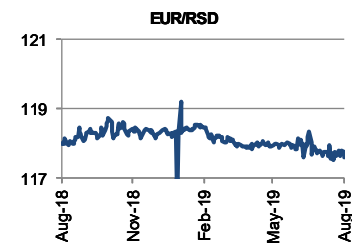
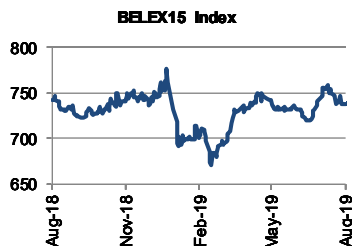
	Last	ΔDbps	ΔYTD bps
USD Feb-20	2.68	-1	-132

STOCKS

	Last	ΔD	ΔYTD
BELEX15	738.4	0.00%	-3.06%

FOREX

	Last	ΔD	ΔYTD
EUR/RSD	117.70	0.89%	0.46%


ROMANIA
Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	2.62	-2	153
1-month	2.76	-1	89
3-month	3.09	1	104
6-month	3.18	1	91
12-month	3.31	-2	99

RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	3.35	0	-69
5Y RON	3.87	0	-47
10Y RON	4.18	0	-63

RO Eurobonds

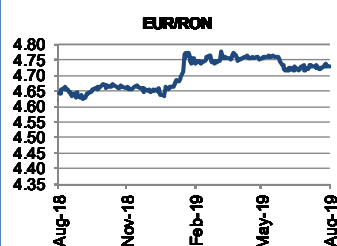
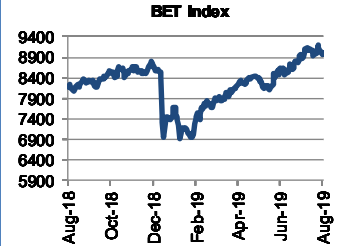
	Last	ΔDbps	ΔYTD bps
EUR Oct-25	0.69	-	-85
USD Jan-24	2.82	-2	-141

STOCKS

	Last	ΔD	ΔYTD
BET	8967.3	-0.55%	21.45%

FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.7317	0.08%	-1.64%


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	-0.31	-2	-26
5Y BGN	-0.13	-2	-24
10Y BGN	0.16	0	-60

87.94

BG Eurobonds

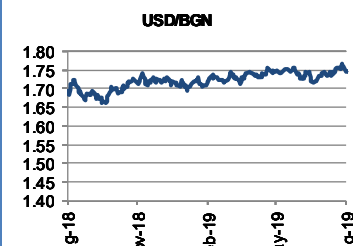
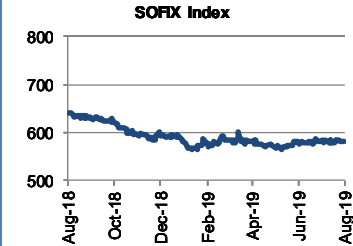
	Last	ΔDbps	ΔYTD bps
EUR Mar-22	-0.21	0	-19
EUR Sep-24	-0.04	0	-52

STOCKS

	Last	ΔD	ΔYTD
SOFIX	581.4	0.01%	-2.19%

FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.7456	0.01%	-2.30%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 11:30 EEST

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