

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

October 7, 2019

Global Markets

Market focus this week is almost exclusively on the new round of US/China negotiations on 10-11 October in Washington for signs over whether the two sides could re-escalate or end their trade dispute. Furthermore, the Fed will release the minutes of the September meeting on Wednesday ahead of Friday's US inflation data while in the Eurozone, minutes from the September ECB meeting on Thursday lure market attention amid market talks over some frictions within the Governing Council on potential future stimulus packages. Meanwhile, Fed Funds futures are currently assigning a probability of 78% for a 25bps Fed rate cut at the 30 October meeting, less than 85% early on Friday ahead of the US September non-farm payrolls survey, which revealed a drop in the unemployment rate to a near 50-year low of 3.5%.

Greece

The draft 2020 Budget will be submitted to Parliament today. According to press reports, official creditors still see a fiscal gap of c. €900mn, which based on the government's calculations, however will be bridged by the increased use of electronic payments, improved tax revenues and boosted GDP growth. According to press, the government estimates that the measures to ease the tax burden along with its business friendly policies may add up to 0.5pps to 2020 GDP growth bringing it up to 2.8%, from 2.3%, which is reportedly the government's baseline scenario. In other news, two binding offers were submitted for the casino at Hellinikon while the CEO of the Hellinikon concessionaire Lamda Development expressed confidence that construction works will begin in early 2020.

CESEE

ROMANIA: In a widely anticipated by market analysts and participants decision last week, NBR maintained the key policy rate (KPR) unchanged at 2.5% and MRRs for FX and RON denominated liabilities at 8% respectively for an eleventh consecutive time. NBR emphasized external environment risks due to Brexit and trade war as the main driver of future rate decisions but also balanced them against increased domestic inflationary pressures stemming from the future income and fiscal policies. CYPRUS: The Ministry of Finance sold a total amount of €350mn reopening the long-term bonds maturing in 2034 & 2049 at 0.98% and 1.536% yields respectively.

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GLOBAL MARKETS

Stock markets

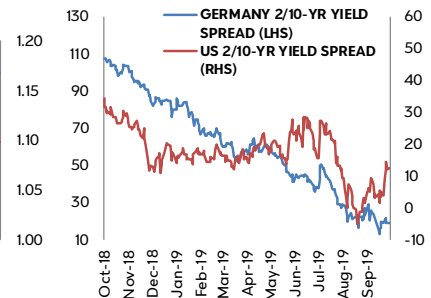
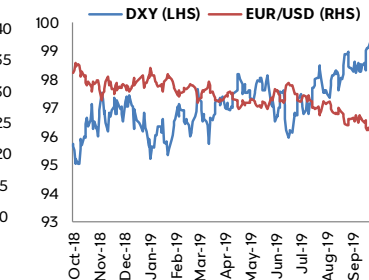
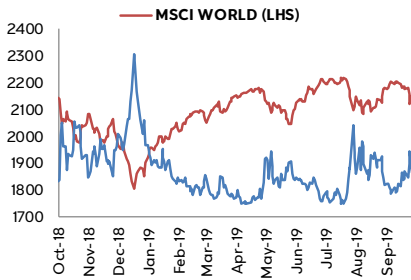
	Last	ΔD	ΔYTD
S&P 500	2952.01	1.42%	17.8%
Nikkei 225	21375.25	-0.2%	6.8%
STOXX 600	380.22	0.7%	12.6%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.0979	0.0%	-4.3%
GBP/USD	1.2308	-0.2%	-3.5%
USD/JPY	106.85	0.1%	2.7%

Government Bonds

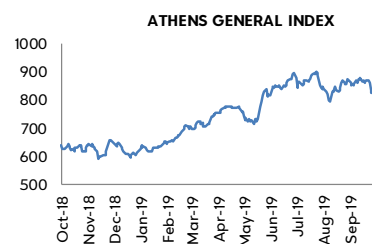
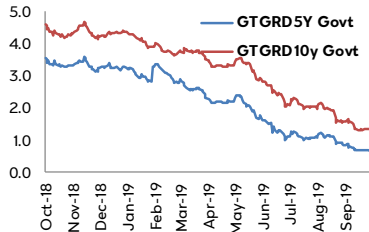
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.52	-1	-117
Bund-10yr	-0.59	-1	-83
JGB - 10yr	-0.23	-1	-23



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.67	0	-251
10Y Bond	1.33	0	-301
Δ(10YBund-10YGG)	1.93	0	-218



EMERGING MARKETS

Stock markets

	Last	ΔD	ΔYTD
SOFIX	563.02	-0.5%	-5.3%
BELEX	747.71	0.5%	-183.5%
XU100	103463.50	0.7%	1335.9%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.3284	-0.2%	-0.9%
EUR/RSD	117.492	0.1%	0.7%
USD/TRY	5.7487	-0.9%	-8.0%

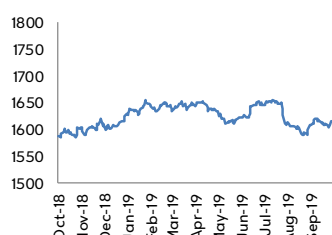
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.62	-4	-49
BG 8Y yield	0.12	0	-36
PL 10Y yield	1.90	0	-92

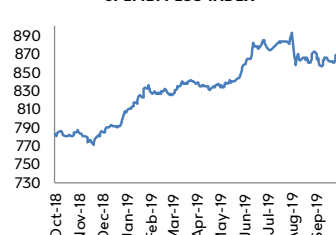
MSCI EM EQUITY INDEX



MSCI EM CURRENCY INDEX

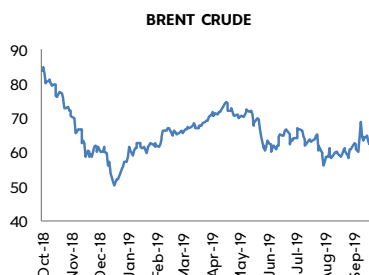
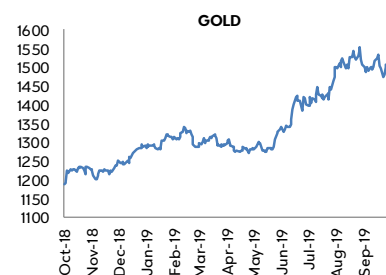


JPEMBI PLUS INDEX

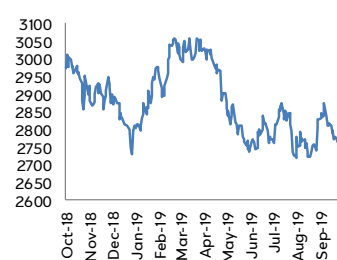


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1506	0.1%	17.4%
BRENT CRUDE	58	0.0%	8.5%
LMEX	2760	0.0%	-1.5%



LONDON METAL EXCHANGE INDEX



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