

# GLOBAL & REGIONAL DAILY

## HIGHLIGHTS

October 8, 2019

### Global Markets

Investors retain a cautious stance on risk assets ahead of the new round of high-level US/China trade negotiations starting on Thursday, 10 October. Market hopes for an interim trade deal in the foreseeable future prevail, pushing UST and German Bund yields slightly higher earlier today. Germany's firmer than expected industrial production data for August, may have also had an impact. In FX markets, the EUR/USD continued to hover within the 1.09-1.10 recent range, while the GBP came under some pressure amid concerns that sizeable differences between the EU and the UK remain over the new Brexit plan UK PM Boris Johnson presented earlier this month. In the absence of major key data releases today, focus is on Fed Chairman Jerome Powell who is scheduled to speak at the NABE conference.

### Greece

The draft 2020 Budget that was submitted to Parliament yesterday, foresees 2020 real GDP growth of 2.8% supported by the reform of personal income taxation and the lowering of corporate tax rates that are expected to boost private consumption and investments. More specifically, gross fixed capital formation is expected to grow by 13.4%YoY driven by investments in construction and equipment. Private consumption is expected to grow by 1.8%YoY due to the increase in employment (+1.8%YoY) and the average wage (+1.2%YoY) while public consumption is expected to grow by a more moderate pace (+0.6%YoY). Net exports are expected to have a marginally negative impact on real GDP falling by 0.1%YoY.

### CESEE

Serbia: The central government debt fell by EUR 16.0mn or 0.1% MoM to EUR 23.8bn in August. The debt stood at 51.9% of projected GDP, unchanged compared to July, but lower than 53.7% of GDP in December 2018. On the budget execution front, the central government budget surplus increased by 26.7% YoY to RSD 46.6bn, or ca 0.9% of projected GDP. Given that this year's target is a 0.5% of GDP deficit, there is substantial fiscal space for spending during the last quarter of 2019. Finally, on Thursday, the National Bank of Serbia (NBS) will hold its monthly policy meeting and a further rate cut may not come as a surprise; the recent change of outlook by S&P to positive and the one notch sovereign rating upgrade by Fitch have increased the foreign inflows, putting some appreciation pressure on the Dinar.

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## GLOBAL MARKETS

### Stock markets

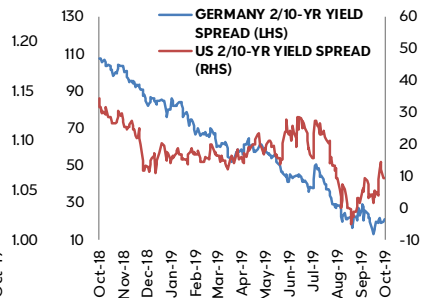
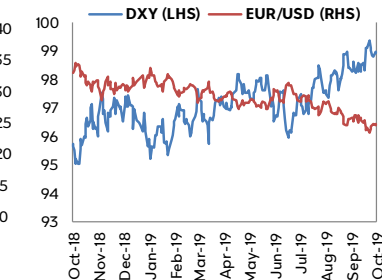
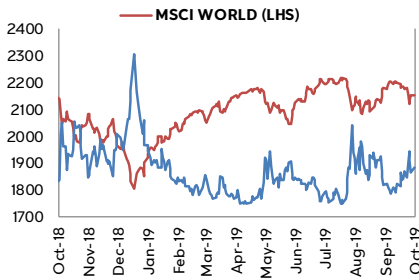
	Last	ΔD	ΔYTD
S&P 500	2938.79	-0.45%	17.2%
Nikkei 225	21587.78	1.0%	7.9%
STOXX 600	383.04	0.0%	13.4%

### FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.0983	0.1%	-4.2%
GBP/USD	1.2289	0.0%	-3.7%
USD/JPY	107.36	-0.1%	2.2%

### Government Bonds

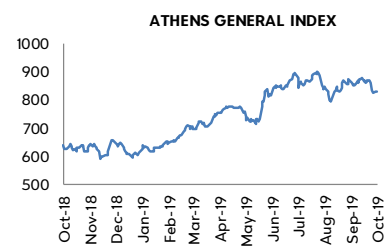
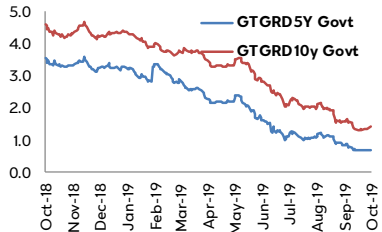
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.57	2	-111
Bund-10yr	-0.56	2	-80
JGB - 10yr	-0.20	2	-20



## GREECE

### Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.68	0	-250
10Y Bond	1.41	0	-294
Δ(10YBund-10YGG)	1.97	0	-214



## EMERGING MARKETS

### Stock markets

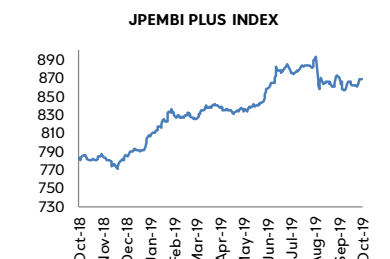
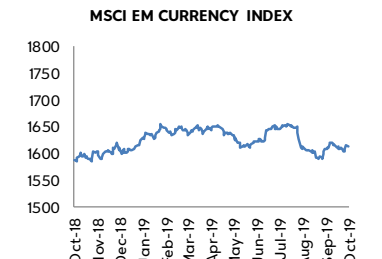
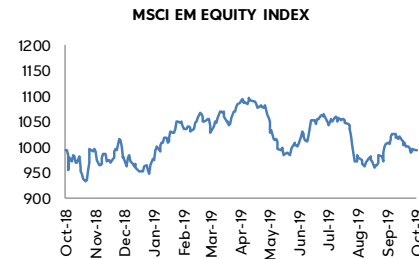
	Last	ΔD	ΔYTD
SOFIX	563.12	0.0%	-5.3%
BELEX	749.37	0.2%	-161.7%
XU100	102222.50	-0.7%	1200.0%

### FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.3273	0.0%	-0.9%
EUR/RSD	117.536	-0.1%	0.7%
USD/TRY	5.8058	0.5%	-8.9%

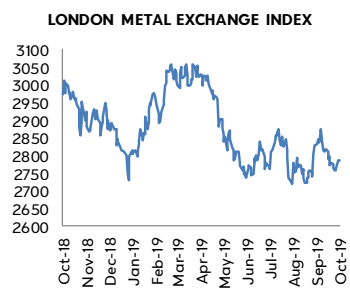
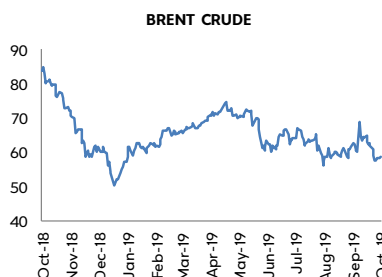
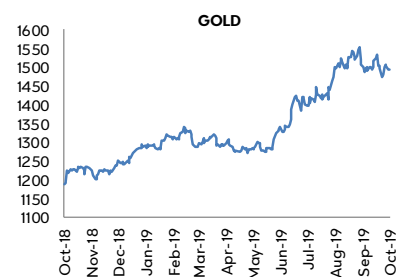
### Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.77	-1	-34
BG 8Y yield	0.18	7	-30
PL 10Y yield	1.89	1	-92



## COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1492	-0.1%	16.3%
BRENT CRUDE	59	0.7%	9.2%
LMEX	2786	1.0%	-0.5%



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