

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

August 9, 2019

Global markets

Shrugging off Wall Street's rally overnight, the majority of global equity indices traded in the red on Friday, as the White House is reportedly delaying a decision about licenses for US firms to restart business with Huawei after China announced that it would stop purchasing US farming goods. Renewed US/China trade jitters weighed on risk appetite, with the Japanese yen strengthening as much as 0.4% against the US dollar near a seven-month high of 105.70 yen in early European trade and spot gold trading near a more than six-year high of \$1,510 an ounce hit on Wednesday. Elsewhere, the British pound fell at a two-year low against the euro overnight, following news that PM Boris Johnson is preparing to hold an election after the Oct. 31 deadline if he loses a vote of confidence. In the government bond markets, the big mover were BTPs, with the 10yr respective yield rising 23bps to 1.769% at the time of writing, reporting its biggest daily increase since September, after Italian Deputy PM Matteo Salvini confirmed that his Northern League party wants early elections and will seek to dissolve the government.

Greece

According to ELSTAT's monthly LFS, the unemployment rate (sa) declined to 17.2% of the labour force in May-19 from 17.4% and 19.4% in Apr-19 and May-18 respectively. May's-19 value corresponds to an 8-year low with the total decline relative to the historical high of Sep-13 standing at 10.6pps. Moreover, the drop of the unemployment rate in May-19 was accompanied by a decline of the unemployed and by an increase of the employed by -11.7YoY% (-108.1YoY k persons) and 2.1YoY% (+82.0YoY k persons) respectively. As a result, the labour force declined by -0.5 YoY% (-26.1 YoY k persons). Finally, the increase of employment in Apr-May-19 was at 2.4YoY%, marginally below its respective value in 2019Q1 (2.5YoY%). Hence, employment's component will be the workhorse of growth in 2019Q2.

CESEE

Serbia: At its regular MPC meeting yesterday, the National Bank of Serbia (NBS) cut interest rates by 25bps from 2.75% to 2.50%, which is the lowest level in the inflation targeting regime of the Central Bank. Following July's 25bps cut, this is the second consecutive policy rate cut. The move was not expected by the vast majority in the Bloomberg survey (only 2 out of 24 analysts predicted a rate cut). In the statement released thereafter, the NBS ground its decision on the subdued domestic inflation environment and well-anchored inflation expectations, the dovish stance of the major central banks worldwide plus the need to provide additional support to credit and economic growth.

Contributing Authors:

Ioannis Gkionis
Senior Economist
igkionis@eurobank.gr

Dr. Stylianos Gogos
Economic Analyst
sgogos@eurobank.gr

Olga Kosma
Research Economist
okosma@eurobank.gr

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	2938.09	1.9%	17.2%	EUR/USD	1.1187	0.1%	-2.5%	UST - 10yr	1.71	-1	-97	GOLD	1502	0.1%	17.1%
Nikkei 225	20684.82	0.4%	3.3%	GBP/USD	1.2115	-0.1%	-5.1%	Bund-10yr	-0.59	-3	-83	BRENT CRUDE	58	0.4%	7.1%
STOXX 600	373.81	-0.2%	10.7%	USD/JPY	105.96	0.1%	3.5%	JGB - 10yr	-0.22	-2	-22	LMEX	2778	2.2%	-0.8%

SERBIA
Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	1.76	-1	-68
1-week	1.84	-2	-72
1-month	2.13	1	-60
3-month	2.40	-1	-63
6-month	2.60	-1	-58

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	2.43	-1	-63
5Y RSD	3.12	0	-39
7Y RSD	3.26	0	-90

RS Eurobonds

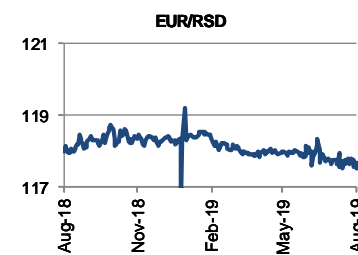
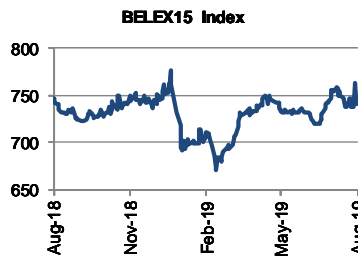
	Last	ΔDbps	ΔYTD bps
USD Feb-20	2.67	-1	-133

STOCKS

	Last	ΔD	ΔYTD
BELEX15	746.6	0.61%	-1.98%

FOREX

	Last	ΔD	ΔYTD
EUR/RSD	117.68	-0.26%	0.47%


ROMANIA
Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	2.6	0	151
1-month	2.77	0	90
3-month	3.09	0	104
6-month	3.17	-1	90
12-month	3.3	-1	98

RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	3.30	0	-73
5Y RON	3.79	0	-55
10Y RON	4.08	0	-74

RO Eurobonds

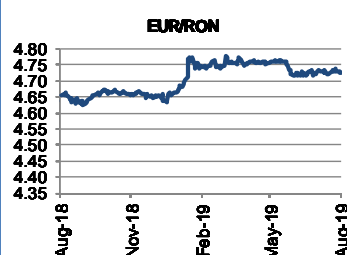
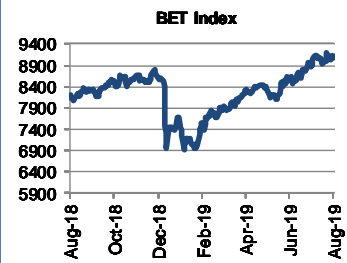
	Last	ΔDbps	ΔYTD bps
EUR Oct-25	0.61	-	-93
USD Jan-24	2.66	-3	-157

STOCKS

	Last	ΔD	ΔYTD
BET	9086.0	-0.39%	23.05%

FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.7259	0.02%	-1.52%


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	-0.34	-3	-28
5Y BGN	-0.14	-2	-26
10Y BGN	0.20	0	-55

87.94

BG Eurobonds

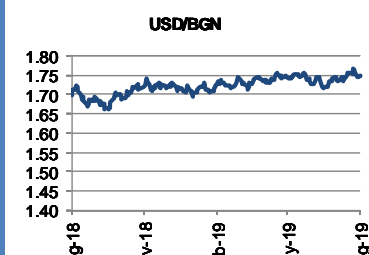
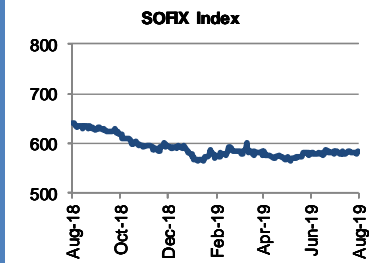
	Last	ΔDbps	ΔYTD bps
EUR Mar-22	-0.25	0	-23
EUR Sep-24	-0.05	0	-53

STOCKS

	Last	ΔD	ΔYTD
SOFIX	584.3	0.08%	-1.71%

FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.7485	0.02%	-2.46%



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

Research Team



Dr. Tasos Anastasatos | Group Chief Economist
tanastasatos@eurobank.gr | + 30 214 40 59 706



Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr
+ 30 210 37 18 793



Ioannis Gkionis
Senior Economist
igkionis@eurobank.gr
+ 30 214 40 59 707



Dr. Stylianos Gogos
Economic Analyst
sgogos@eurobank.gr
+ 30 210 37 18 733



Maria Kasola
Economic Analyst
mkasola@eurobank.gr
+ 30 210 33 18 708



Olga Kosma
Research Economist
okosma@eurobank.gr
+ 30 210 37 18 728



Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr
+ 30 210 37 18 991



Dr. Theodoros Stamatiou
Senior Economist
tstamatiou@eurobank.gr
+ 30 214 40 59 708



Elia Tsiampaou
Economic Analyst
etsiampaou@eurobank.gr
+ 30 214 40 59 712

Marisa Yiannisis | Administrator
magiannisi@eurobank.gr | + 30 210 33 71 178

More research available at: <https://www.eurobank.gr/en/group/economic-research>
Subscribe electronically at: <https://www.eurobank.gr/el/omilos/oikonomikes-analisesis...>
Follow us on twitter: https://twitter.com/Eurobank_Group
Follow us on LinkedIn: <https://www.linkedin.com/company/eurobank>

DISCLAIMER

This report has been issued by Eurobank Ergasias S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees. Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

