

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

September 9, 2019

Global Markets

Global equity markets kicked off the week on a positive tone amid expectations for further policy stimulus from major CBs following a recent string of weak data, including Friday's US non-farm payrolls and Germany's industrial production. Reduced US/China trade war escalation fears and diminishing no-deal Brexit woes, also favored. UST and German Bund yields were higher on the day dented by the improved tone in major bourses while in FX markets, the EUR/USD gained some ground recovering back above the key 1.10 area in early European trade. All eyes this week are on the ECB monetary policy meeting on Thursday amid expectations for a new bulk of policy initiatives to support the Eurozone economy. In the UK, MPs are expected to reject the PM's new motion for a general election on October 15.

Greece

At the TIF this weekend, PM Kyriakos Mitsotakis announced a package of tax cuts to be implemented in the medium term, including: a corporate tax cut from 28% to 24%, a dividends' tax cut from 10% to 5%, the reduction of the tax rate from 22% to 9% for income up to €10,000, the reduction of social security contributions for full-time employees and the reduction of an annual levy for the self-employed. He also stated that the €300mn first tranche for Hellinikon will be received in 2019 while the privatisations of DE-PA, HELPE and AIA will be accelerated. Meanwhile, at the next Eurogroup, the FinMin is expected to request the early repayment of IMF loans, which according to the PM will save Greece €75mn annually.

CESEE

Moody's affirmed Serbia's rating at Ba3 and revised its outlook to positive from stable on Friday. The rating agency's decision was broadly based on improved public debt metrics, robust medium-term economic growth outlook and implementation of structural reforms. Moody's expects that the new Policy Co-ordination Instrument signed with the IMF will help the country to preserve the prudent budgetary stance and support further fiscal reforms. The agency also highlighted the progress on the restructuring frontier of state-owned enterprises (SOEs), which led to reduced state aid at 2.7% of GDP in 2018 from 4.9% in 2014. Serbia is rated at BB with a positive outlook by Standard & Poor's and at BB with a stable outlook by Fitch Ratings.

Contributing Authors

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Maria Kasola
Economic Analyst
mkasola@eurobank.gr

GLOBAL MARKETS
Stock markets

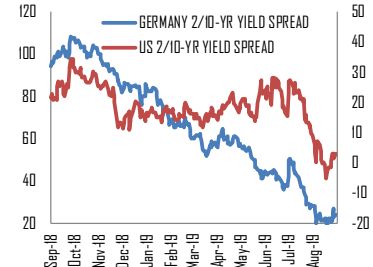
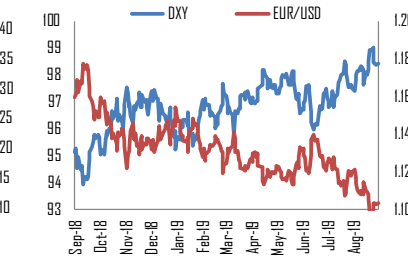
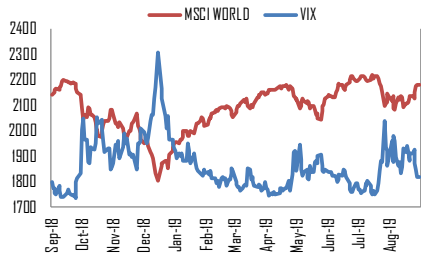
	Last	ΔD	ΔYTD
S&P 500	2978.71	0.09%	18.8%
Nikkei 225	21318.42	0.6%	6.5%
STOXX 600	387.83	0.2%	14.9%

FOREX

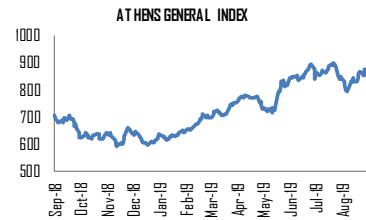
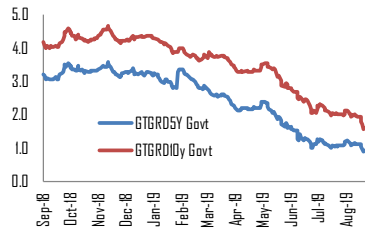
	Last	ΔD	ΔYTD
EUR/USD	1.103	0.0%	-3.8%
GBP/USD	1.2245	-0.3%	-4.0%
USD/JPY	106.94	0.0%	2.6%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.58	2	-110
Bund-10yr	-0.62	2	-86
JGB - 10yr	-0.25	-2	-26


GREECE
Government Bonds

	Last	ΔDbps	ΔYTDbps
5Y Bond	0.85	0	-233
10Y Bond	1.58	0	-277
Δ(10Y Bund-10Y GGB)	2.20	0	-2


EMERGING MARKETS
Stock markets

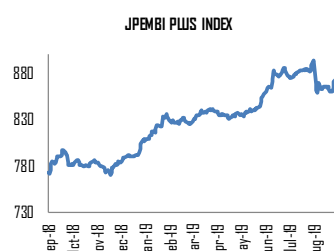
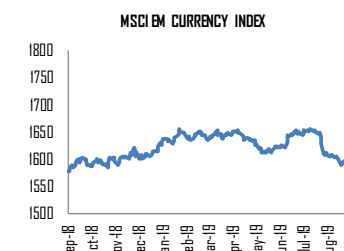
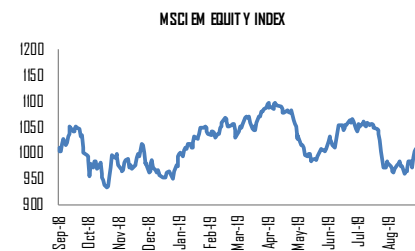
	Last	ΔD	ΔYTD
SOFIX	574.17	0.0%	-3.4%
BELEX	745.80	-0.1%	-208.6%
XU100	10001 3.00	1.0%	957.9%

FOREX

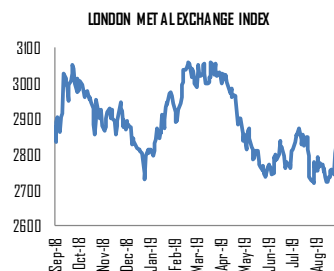
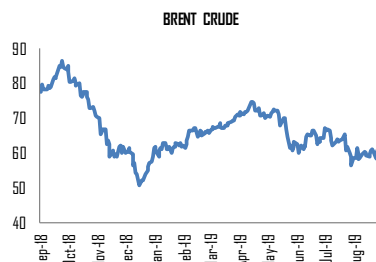
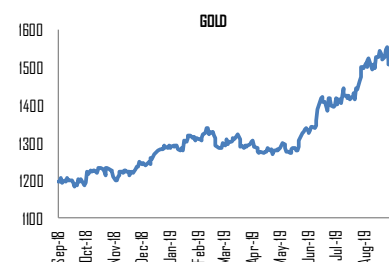
	Last	ΔD	ΔYTD
EUR/PLN	4.3338	0.1%	-1.0%
EUR/RSD	117.592	-0.1%	0.6%
USD/TRY	5.714	0.0%	-7.4%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y	6.94	-4	-17
BG 8Y	0.21	0	-27
PL 10Y	2.02	1	-79


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1507	0.0%	17.5%
BRENT CRUDI	62	1.0%	15.5%
LMEX	2829	0.0%	1.0%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 09:45 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 Stamatou
Senior Economist
tstamatou@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

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