

KEY UPCOMING DATA & EVENTS THIS WEEK

US

- Apr 08:
 - Factory orders (Feb.)
 - Durable goods orders (Feb.)
- Apr 10:
 - MBA Mortgage Applications (05/04)
 - CPI (Mar.)
 - FOMC Meeting minutes (20/03)
- Apr 11:
 - Initial Jobless Claims (06/04)
- Apr 05: University of Michigan consumer sentiment

EUROZONE

- Apr 08: Sentix Investor confidence (Apr.)
- Apr 10: ECB MPC
- April 12: Industrial production (Feb.)

UK

- Apr 10: Special European Council

GREECE

- Apr 09: Industrial output (Feb.)
- Apr 10: Harmonized CPI (Mar.)
- Apr 11: Unemployment rate (Jan.)

SEE

BULGARIA:

- Apr 09:
 - Industrial production (Feb.)
 - Retail sales (Feb.)
- Apr 12: Trade balance (Feb.)

ROMANIA

- April 08: GDP (Q4)
- April 10: CPI (Mar.)
- April 12: Current account (Feb)

SERBIA

- April 09: NBS MPC
- April 12: CPI (Mar.)

Source: Reuters, Bloomberg, Eurobank Research

HIGHLIGHTS

WORLD ECONOMIC & MARKET DEVELOPMENTS

GLOBAL MARKETS: In its semi-annual World Economic Outlook released yesterday, the IMF revised lower its 2019 GDP global growth projection for the third time since October to 3.3%, the lowest expansion since 2016, from 3.5% in January and 3.9% nearly a year ago. Adding to investors' global growth worries, the US administration proposed earlier this week the imposition of tariffs on a range of EU imports worth c. \$11bn, claiming that the decision is a response to EU subsidies granted to a European airplane manufacturer that the WTO has judged to cause "adverse effects" to the US. Against this background, investors adopt a cautious stance against risk assets today. Meanwhile, US Treasuries and Bunds were little changed on the day, awaiting the release of the minutes from the 20 March FOMC meeting and the outcome of today's ECB monetary policy meeting. Today's extraordinary EU Council meeting where President Donald Tusk will reportedly propose a one-year long "flexible" extension for the UK's exit from the EU, is also of particular interest.

GREECE: On the sidelines of the IMF Spring Meetings, the Greek Finance Minister Euclid Tsakalotos is expected to discuss with IMF Head Christine Lagarde and IMF European Department Head Poul Thomsen the early repayment of part of IMF loans. According to press, the amount to be repaid is c. €3.5bn and concerns loans with maturity in 2019 and 2020 which carry an interest rate of 5%. In other news, the Greek government is planning to table to Parliament soon a bill that foresees the settlement of debts to the tax authorities and the Social Security Funds in 120 instalments.

SOUTH EASTERN EUROPE

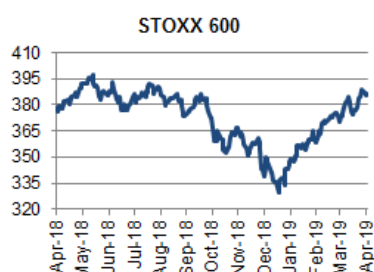
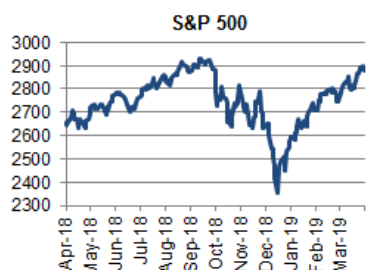
CYPRUS: The current account deficit declined to 7% of GDP in 2018 down from 8.4% in 2017.

DISCLAIMER

This document has been issued by Eurobank Ergasias SA (Eurobank) and may not be reproduced in any manner. The information provided has been obtained from sources believed to be reliable, but has not been verified by Eurobank, and the opinions expressed are exclusively of their author. This information does not constitute an investment advice or any other advice, or an offer to buy or sell, or a solicitation of an offer to buy or sell, or an offer or a solicitation to execute transactions on the financial instruments mentioned. The investments discussed may be unsuitable for investors, depending on their specific investment objectives, their needs, their investment experience and financial position. No representation or warranty (expressed or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions, all of which are subject to change without notice. No responsibility or liability, whatsoever or howsoever arising, is accepted in relation to the contents thereof by Eurobank or any of its directors, officers and employees.

Latest world economic & market developments

GLOBAL MARKETS



Source: Reuters, Bloomberg, Eurobank Research

In its semi-annual World Economic Outlook released yesterday, the IMF revised lower its 2019 GDP global growth projection for the third time since October to 3.3%, the lowest expansion since 2016, from 3.5% in January and 3.9% nearly a year ago. Citing the reasons behind the renewed downgrade, the Fund said that the global economic weakness recorded last year and especially in H2 2018 which was due to a number of adverse factors, including US-China trade tensions and adverse macroeconomic developments in Argentina and Turkey, is expected to persist into H1 2019. Amid expectations for an improvement in H2 2019 on the assumption of an orderly Brexit, a US/China trade agreement and significant policy accommodation by CBs, world economic growth is projected to return to 3.6% in 2020. The IMF warned that downside risks prevail noting that, should any of the major risks materialize, this may require synchronized, country-specific policy stimulus across countries. Adding to investors' global growth worries, the US administration proposed earlier this week the imposition of tariffs on a range of imports from the EU worth c. \$11bn, claiming that the decision is a response to EU subsidies granted to a European airplane manufacturer that the WTO has judged to cause "adverse effects" to the US.

Against this background, investors adopt a cautious stance against risk assets with European bourses opening mixed earlier today, following moderate losses of 0.6%-0.7% in major US stock indices overnight. Turning to fixed income markets, US Treasuries and German Bunds were little changed on the day, awaiting the release of the minutes from the 20 March FOMC meeting and the outcome of today's ECB monetary policy meeting. Today's extraordinary EU Council meeting where President Donald Tusk will reportedly propose a one-year long "flexible" extension for the UK's exit from the EU, is also of particular interest. A renewed Brexit extension beyond 22 May will likely require UK participation in next month's European parliamentary elections, a development that could weigh on the Conservative Party's popularity on the way to 2 May local elections. In FX markets, most major currency pairs remained trapped within narrow trading ranges with the NOK outperforming on higher than expected inflation data for March which raised expectations for another rate hike from the Norges Bank.

ppetropoulou@eurobank.gr

GREECE

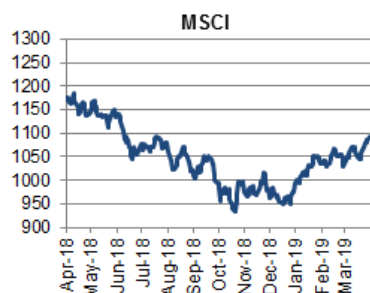
On the sidelines of the IMF Spring Meetings, the Greek Finance Minister Euclid Tsakalotos is expected to discuss with IMF Head Christine Lagarde and IMF European Department Head Poul Thomsen the early repayment of part of IMF loans. According to press, the amount to be repaid is c. €3.5bn and concerns loans with maturity in 2019 and 2020 which carry an interest rate of 5%. In total the outstanding loans to the IMF amount to €9.5bn with maturities up to 2024, which means that even after the partial repayment, the outstanding amount will allow the IMF to maintain its current role to Greece. As regards the ESM, considering recent comments by its Managing Director Klaus Regling on the matter, it is likely that it will grant the waiver to Greece to proceed with the early repayment of IMF loans without simultaneously repaying part of ESM loans as well. In other news, the Greek government is planning to table to Parliament soon a bill that foresees the settlement of debts to the tax authorities and the Social Security Funds in 120 instalments. According to the Minister of Finance Euclid Tsakalotos, the new regulation will target only those who are in need and will exclude strategic defaulters. On their part, the institutions have repeatedly stressed that such schemes should be so designed as to avoid negative risks to public revenue and to safeguard the payment culture.

andimitriadou@eurobank.g2

Wednesday 10 April 2019

BULGARIA: Indicators	2016	2017e	2018f
Real GDP growth %	3.9	3.8	3.8
CPI (pa, yoy %)	-0.8	2.1	2.4
Budget Balance/GDP*	1.6	0.8	-1.0
Current Account/GDP	5.4	5.0	4.5
EUR/BGN (eop)	1.9558		
	2016	current	2017
Policy Rate (eop)	N/A	N/A	N/A

* on a cash basis

Source: Reuters, Bloomberg, Eurobank Research,
National Authorities

Credit Ratings			
L-T ccy	Moody's	S&P	Fitch
SERBIA	Ba3	BB	BB
ROMANIA	Baa3	BBB-	BBB-
BULGARIA	Baa2	BBB-	BBB
CYPRUS	Ba2	BBB-	BB+

Latest economic & market developments in the CESEE region

CYPRUS

Despite official forecasts for a much higher decline, the current account deficit declined to €1.460,9 mn in 2018 down from €1.642,5 mn in 2017. As a percentage of GDP, the current account deficit reached 7% in 2018 down from 8.4% in 2017. The main culprit behind that was the decline in trade deficit by 1.3ppts of GDP. The latter is the combined effect of a decline in the trade of goods deficit by 3.1ppts but also a decline in the services surplus by 1.3ppts. The other two CA items, the primary and secondary income registered very small changes which offset one another. The international investment position of Cyprus remained virtually unchanged compared to last year, reaching a net liability position of €23.8bn or 114.7% of GDP in 2018. The external debt of Cyprus amounted to €102.5bn in 2018, down from €108.5bn in 2017.

igkionis@eurobank.gr

Wednesday 10 April 2019

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	2878.20	-0.6%	14.8%	EUR/USD	1.1264	0.0%	-1.8%	UST - 10yr	2.49	-1	-19	GOLD	1304	0.0%	1.7%
Nikkei 225	21687.57	-0.5%	8.4%	GBP/USD	1.3063	0.1%	2.4%	Bund-10yr	-0.01	0	-25	BRENT CRUDE	71	0.3%	31.7%
STOXX 600	386.50	0.2%	14.5%	USD/JPY	111.19	0.0%	-1.3%	JGB - 10yr	-0.05	-1	-6	LMEX	3030	0.0%	8.2%

SERBIA

Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	2.27	0	-17
1-week	2.38	-1	-18
1-month	2.59	0	-14
3-month	2.96	1	-7
6-month	3.07	2	-11

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	3.15	-1	9
5Y RSD	3.77	0	26
7Y RSD	4.03	0	-13

RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Feb-20	3.44	0	-56

CDS

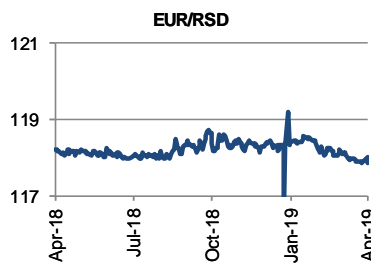
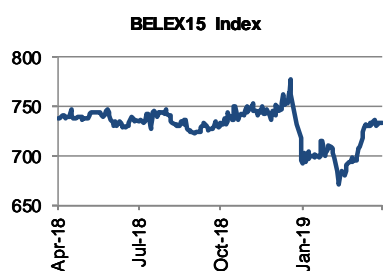
	Last	ΔDbps	ΔYTD bps
5-year	108	-1	-10
10-year	154	-1	-8

STOCKS

	Last	ΔD	ΔYTD
BELEX15	733.0	0.02%	-3.76%

FOREX

	Last	ΔD	ΔYTD
EUR/RSD	117.93	0.04%	0.26%



ROMANIA

Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	3.32	0	223
1-month	3.29	0	142
3-month	3.33	0	128
6-month	3.39	0	112
12-month	3.52	0	120

RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	3.77	0	-26
5Y RON	4.41	0	7
10Y RON	4.90	0	9

RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	1.49	-	-5
USD Jan-24	3.38	0	-86

CDS

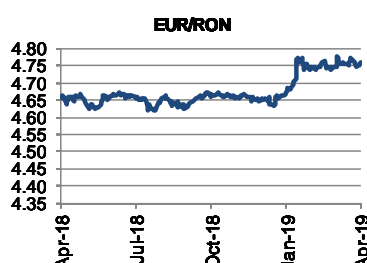
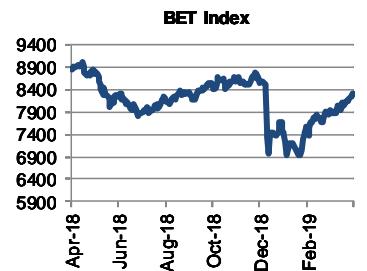
	Last	ΔDbps	ΔYTD bps
5-year	115	-2	25
10-year	164	-2	30

STOCKS

	Last	ΔD	ΔYTD
BET	8303.5	0.03%	12.46%

FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.7616	-0.05%	-2.26%



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	-0.29	-1	-24
5Y BGN	0.02	0	-9
10Y BGN	0.48	0	-27

BG Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Mar-22	-0.09	0	-4
EUR Sep-24	0.19	0	-30

CDS

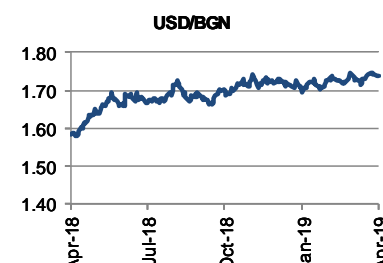
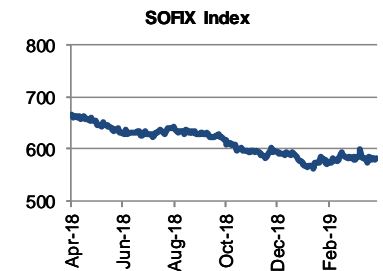
	Last	ΔDbps	ΔYTD bps
5-year	79	-2	-18
10-year	118	-4	-23

STOCKS

	Last	ΔD	ΔYTD
SOFIX	575.2	-0.25%	-3.25%

FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.7363	0.01%	-1.77%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research

Data updated as of 10:15 EES

Wednesday 10 April 2019

Contributors

Paraskevi Petropoulou
Senior Economist, Eurobank
Ergasias
+30 210 3718991
ppetropoulou@eurobank.gr

Ioannis Gkionis
Senior Economist, Eurobank
Ergasias
+30 210 3337305
igkionis@eurobank.gr

Anna Dimitriadou
Economic Analyst, Eurobank
Ergasias
+30 210 3718793
andimitriadou@eurobank.gr

Olga Kosma
(Special Contributor)
Research Economist, Eurobank
Ergasias
+30 210 3371227
okosma@eurobank.gr

Stelios Gogos
(Special Contributor)
Economic Analyst, Eurobank
Ergasias
+30 210 3371226
sgogos@eurobank.gr

Theodoros Stamatiou
(Special Contributor)
Senior Economist, Eurobank
Ergasias
+30 210 3371228
tstamatiou@eurobank.gr

Maria Kasola
(Special Contributor)
Economic Analyst, Eurobank
Ergasias
+30 210 3371224
mkasola@eurobank.gr

Eurobank Economic Analysis and Financial Markets Research

Dr. Tasos Anastasatos: Group Chief Economist
tanastasatos@eurobank.gr, +30 210 33 71 178

Research Team

Anna Dimitriadou: Economic Analyst
andimitriadou@eurobank.gr, +30 210 3718 793

Marisa Yiannissis: Administrator
magiannisi@eurobank.gr, +210 3371242

Ioannis Gkionis: Senior Economist
igkionis@eurobank.gr, +30 210 33 71 225

Dr. Stylianos Gogos: Economic Analyst
sgogos@eurobank.gr, +30 210 33 71 226

Maria Kasola: Economic Analyst
mkasola@eurobank.gr, +30 210 3371224

Olga Kosma: Research Economist
okosma@eurobank.gr, +30 210 33 71 227

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

Dr. Theodoros Stamatiou: Senior Economist
tstamatiou@eurobank.gr, +30 210 3371228

Elia Tsiampaou: Economic Analyst
etsiampaou@eurobank.gr, +30 210 3371207

Eurobank Ergasias S.A, 8 Othonos Str, 105 57 Athens, tel: +30 210 33 37 000, fax: +30 210 33 37 190, email: Research@eurobank.gr

Eurobank Economic Analysis and Financial Markets Research

More research available at <https://www.eurobank.gr/en/group/economic-research>

- **7 Ημέρες Οικονομία:** Weekly review of the Greek economy
- **Greece Macro Monitor - Focus Notes:** Periodic publication on the latest economic & market developments in Greece
- **Economy & Markets:** Analysis & research on the Greek and international economy
- **Regional Economics & Market Strategy Monthly:** Monthly edition on economic & market developments in the region
- **Emerging Markets Special Focus Reports:** Periodic publication on specific EM economy and markets developments
- **Daily Overview of Global markets & the SEE Region:** Daily overview of key macro & market developments in Greece, regional economies & global markets
- **Global Macro Themes & Market Implications for the EA Periphery and the CESEE:** Monthly review of the international economy and financial markets
- **Global Markets Special Focus Reports:** Periodic publication on specific global economy and markets developments

Subscribe electronically at <https://www.eurobank.gr/el/omilos/oikonomikes-analuseis>

Follow us on twitter: https://twitter.com/Eurobank_Group

