

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

August 12, 2019

Global markets

Asian equity indices turned lower on Monday morning, as concerns for a prolonged U.S.-China trade war and a looming recession for the US economy outweighed a stronger than expected yuan fixing and Chinese stocks gains. At the time of the writing, Japan's Nikkei index lost 1.52% of its value trading at 20,370.10 while South Korean's KOSPI index ended at 1942.29 marginally up by 0.23% bringing year to date losses down to -4.73%. The Central Bank of China (PBOC) set its daily midpoint for yuan trading at 7.0211/\$, which was weaker than Friday's setting but nevertheless still stronger than market expectations. Meanwhile, Italian 10Y government bonds rebounded to 1.75% on Monday trade from a five week low at 1.83% recorded on Friday as Fitch left unchanged the long term sovereign rating of the country at BBB with a negative outlook.

Greece

According to ELSTAT's high frequency indicators, the industrial production index (IPI) increased by 1.3 MoM% / 0.9 YoY% in Jun-19 up from a drop of -1.6 MoM% / -0.8 YoY% in the former month. For the whole 2019H1 period, the average IPI increased on an annual basis by 1.0% down from 2.3% and 1.1% in 2018H2 and 2018H1 respectively. The aforementioned deceleration of growth relative to 2018H2, mainly reflects more modest growth in the manufacturing sector (2.2% from 3.4% in 2018H2) and the contraction of production in the electricity sector (-1.5% from 0.5% in 2018H2).

CESEE

Serbia: The government bond curve steepened further as the National Bank of Serbia (NBS) decided to deliver a fresh key policy rate (KPR) cut last week, bringing the reference rate to the new history low at 2.50%. As a result, the 2Y - 7Y spread narrowed to 85 bps compared to 95 bps on July 17. Despite the unexpected KPR rate cut and NBS effort to prevent exaggerated moves in the currency via intervention, the EUR/RSD pair retained its mostly offered tone and dipped to new 5Y low at 117.55/65. We expect National bank of Serbia to continue buying Euros to smooth the ongoing RSD appreciation.

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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	2918.65	-0.7%	16.4%	EUR/USD	1.1175	-0.2%	-2.6%	UST - 10yr	1.69	-6	-100	GOLD	1502	0.7%	17.1%
Nikkei 225	20684.82	0.4%	3.3%	GBP/USD	1.2067	0.3%	-5.4%	Bund-10yr	-0.59	-1	-83	BRENT CRUDE	58	-0.9%	7.8%
STOXX 600	372.09	0.1%	10.2%	USD/JPY	105.26	0.4%	4.2%	JGB - 10yr	-0.22	0	-22	LMEX	2752	-0.9%	-1.8%

SERBIA
Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	1.60	0	-84
1-week	1.70	0	-86
1-month	1.99	0	-74
3-month	2.26	0	-77
6-month	2.45	0	-73

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	2.23	-2	-83
5Y RSD	2.43	-13	-107
7Y RSD	2.99	0	-117

RS Eurobonds

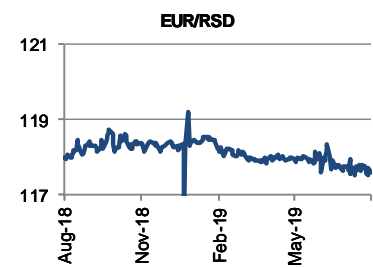
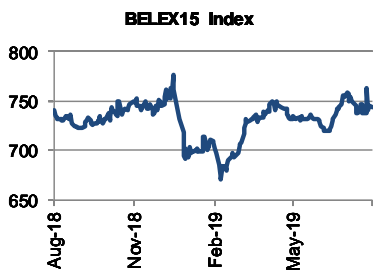
	Last	ΔDbps	ΔYTD bps
USD Feb-20	2.66	-1	-134

STOCKS

	Last	ΔD	ΔYTD
BELEX15	743.2	-0.39%	-2.42%

FOREX

	Last	ΔD	ΔYTD
EUR/RSD	117.67	0.08%	0.49%


ROMANIA
Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	2.58	-2	149
1-month	2.77	0	90
3-month	3.09	0	104
6-month	3.17	0	90
12-month	3.3	0	98

RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	3.32	0	-72
5Y RON	3.81	0	-53
10Y RON	4.10	0	-71

RO Eurobonds

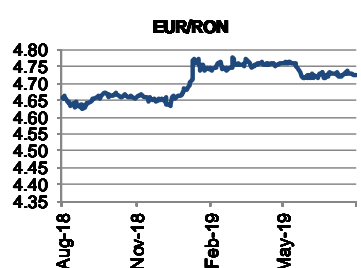
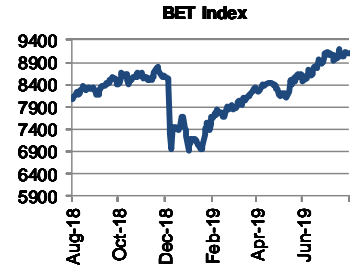
	Last	ΔDbps	ΔYTD bps
EUR Oct-25	0.60	-	-94
USD Jan-24	2.67	1	-156

STOCKS

	Last	ΔD	ΔYTD
BET	9092.4	-0.59%	23.14%

FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.7263	-0.03%	-1.53%


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	-0.33	-1	-27
5Y BGN	-0.13	1	-24
10Y BGN	0.21	0	-54

87.94

BG Eurobonds

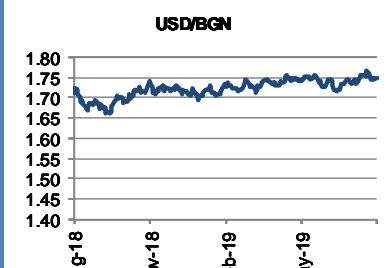
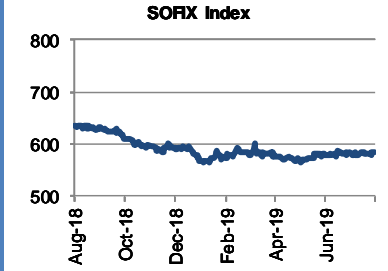
	Last	ΔDbps	ΔYTD bps
EUR Mar-22	-0.26	0	-23
EUR Sep-24	-0.05	0	-53

STOCKS

	Last	ΔD	ΔYTD
SOFIX	583.8	0.03%	-1.79%

FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.7505	-0.23%	-2.57%



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

Data updated as of 11:30 EEST

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