

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

October 15, 2019

Global Markets

Market hopes for a breakthrough in US/China trade negotiations following the “Phase I” deal that was reached last Friday gave way to a more cautious assessment of what has been achieved so far given the dearth of details around the agreement. US Treasuries which were not traded on Monday due to the Columbus Day holiday firmed, with the 10-yr yield retreating to levels close to 1.70% in early European trade after closing at a three-week high of 1.73% last week. Major Asian bourses ended slightly higher, while in FX markets, the EUR/USD eased modestly standing 0.1% weaker on the day at the time of writing but still above the 1.10 handle. Elsewhere, the GBP retained a firm tone on market hopes that the EU and the UK could bridge their differences and reach a Brexit deal at this week’s European Council meeting.

Greece

According to ELSTAT data, the seasonally adjusted production index in industry decelerated to 0.5 YoY% in January-August 2019 from 1.2 YoY% in the respective period of 2018. The annual percentage change of the production index in manufacturing decreased to 1.6 YoY% from 2.7 YoY% in January-August 2018, while in electricity it remained on a negative territory (-1.5 YoY% from -3.0 YoY% in the respective period of 2018). Finally, the production index in mining and quarrying experienced a major drop of -14.0 YoY% and in water supply it slightly increased by 0.5 YoY%.

CESEE

Serbia: The IMF mission in Belgrade is completing today the third review under the non-financial Policy Co-ordination Instrument (PCI). The IMF’s head of mission, Jan Kees Martijn, stated in a meeting he had with the Prime Minister, Ana Brnabic, yesterday, that, despite the global economic slowdown, the IMF will not lower its GDP growth forecast for 2019, currently standing at 3.5%. He backed his statement on the reported progress as reforms envisaged by the PCI are being implemented in line with the agreed deadlines. On the economic data front, inflation further eased to 1.1% YoY in September from 1.3% YoY in August, lying for a second month in a row below the lower end of the 3.0% ± 1.5pps tolerance band, set by the National Bank of Serbia (NBS). The main downward pressure on the headline figure came from food and beverage prices, which increased by 1% YoY in September vs 1.3% YoY in August.

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GLOBAL MARKETS

Stock markets

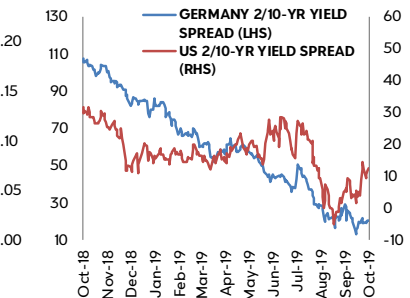
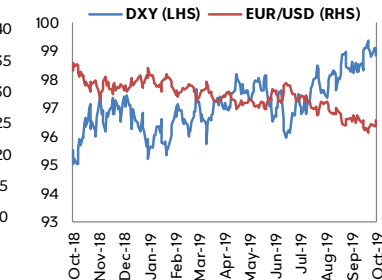
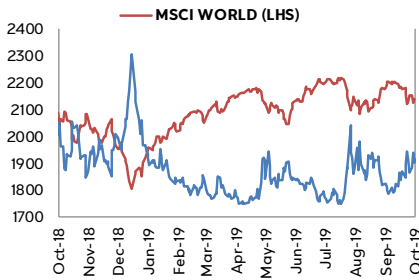
	Last	ΔD	ΔYTD
S&P 500	2919.40	0.91%	16.5%
Nikkei 225	21551.98	0.4%	7.7%
STOXX 600	380.29	0.0%	12.6%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1015	0.4%	-4.0%
GBP/USD	1.2233	0.2%	-4.1%
USD/JPY	107.37	0.1%	2.2%

Government Bonds

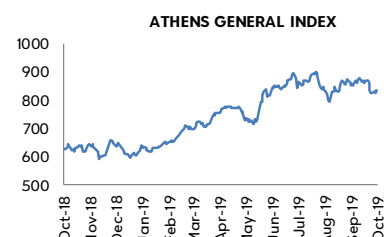
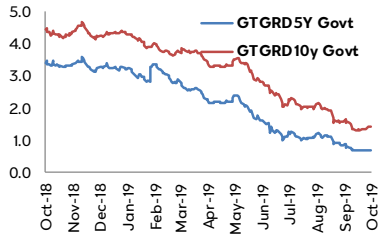
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.56	-2	-112
Bund-10yr	-0.55	0	-79
JGB - 10yr	-0.21	-1	-21



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.68	0	-250
10Y Bond	1.41	0	-294
Δ(10YBund-10YGG)	1.96	0	-215



EMERGING MARKETS

Stock markets

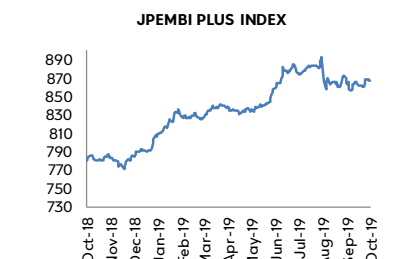
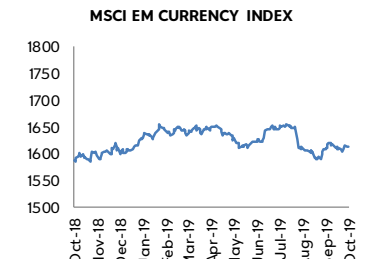
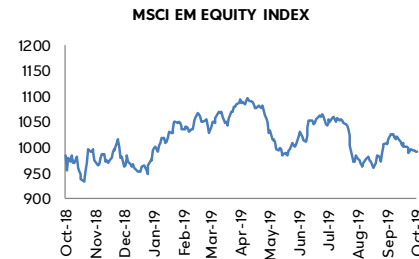
	Last	ΔD	ΔYTD
SOFIX	558.60	-0.1%	-6.0%
BELEX	747.93	-0.1%	-180.7%
XU100	99038.36	-0.6%	851.1%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.3263	-0.1%	-0.9%
EUR/RSD	117.573	0.0%	0.6%
USD/TRY	5.8685	0.0%	-9.9%

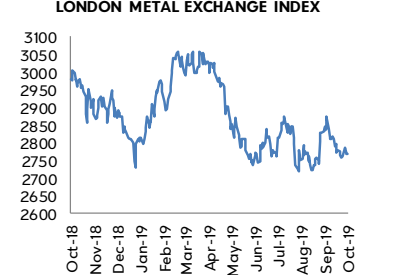
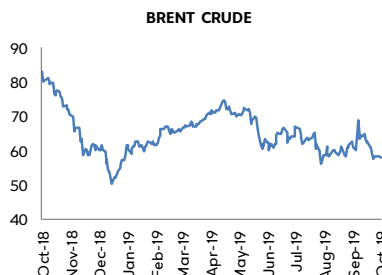
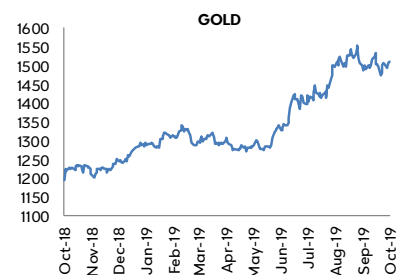
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.92	3	-19
BG 8Y yield	0.11	-1	-37
PL 10Y yield	1.90	0	-91



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1510	0.3%	17.8%
BRENT CRUDE	58	-0.3%	8.0%
LMEX	2769	-0.1%	-1.1%



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