

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

December 16, 2019

Global Markets

Global equity markets advanced on Monday, with Asian shares hitting their highest in nearly eight months, after the US and China agreed on a Phase One trade deal. As a result, US tariffs on a \$160bn list of Chinese imports planned to come into effect yesterday have been suspended, while US tariffs on \$120bn Chinese imported goods will be halved from 15% to 7.5%. Risk on sentiment drove US Treasury yields higher, with the 10-yr respective yield trading around 1.85% in early European trade compared with Friday's close of 1.82%, but well below a one-month high of 1.95% hit intraday on Friday. In FX markets, the EUR/USD consolidated around levels of 1.1120, while sterling traded around 1.3342 in European trade at the time of writing not too far from Friday's intraday one-and-a-half year peak of 1.3514 capitalizing on a Conservative election victory that British Prime Minister Boris Johnson characterized a "huge great stonking mandate". Focus this week turns on flash Dec PMIs for the EA and the US, Dec German IFO and the BoE/BoJ meetings.

Greece

As regards the Hellinikon project, the examination of the legal documents of the two candidates for the casino license has not been completed and thus the technical offers cannot be evaluated yet. The completion of the casino tender is a pre-requisite for the financial closing of the Hellinikon concession and the subsequent payment of the €300mn first installment. Meanwhile, according to ELSTAT, the production index in construction (IPC) in Q3-2019 decreased by 9.1% compared to Q3-2018, while the corresponding rate of change in Q3-2018 was a decrease of 5.4%. The seasonally adjusted IPC in Q3-2019 decreased by 15%QoQ, while in Q2-2019 it had increased by 9.2%QoQ.

CESEE

Serbia: S&P upgraded Serbia's long-term foreign and local currency sovereign credit ratings to BB+ from BB and kept the outlook positive on Friday. The rating agency based its rationale on the country's resilient exports and the investment-driven economic growth, amid challenging external circumstances. It also noted that Serbia has succeeded in reducing macroeconomic imbalances: net public debt has gone down, net FDI has exceeded current account deficits supporting external deleveraging and price and financial stability has been enhanced. S&P forecasts that GDP growth will accelerate to 3.9% in 2020 from 3.6% in 2019, noting that solid domestic demand, including a benign investment outlook, should help the economy surpass the ongoing weakness in Europe.

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GLOBAL MARKETS
Stock markets

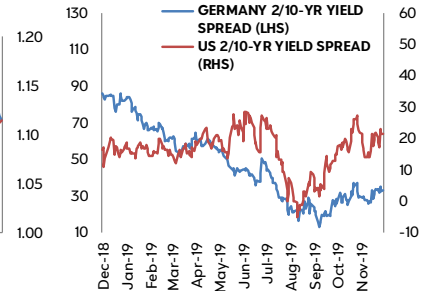
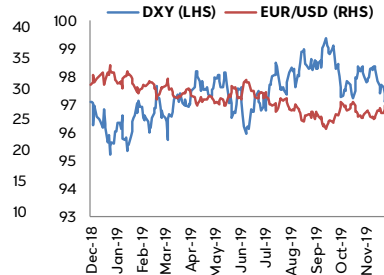
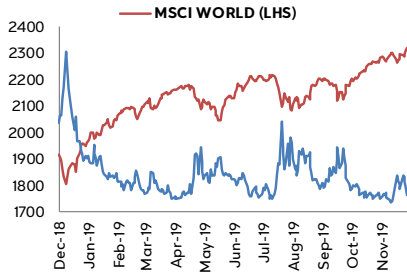
	Last	ΔD	ΔYTD
S&P 500	3168.80	0.01%	26.4%
Nikkei 225	23952.35	-0.3%	19.7%
STOXX 600	414.36	0.6%	22.7%

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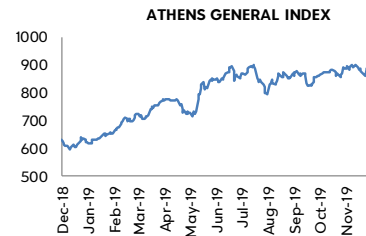
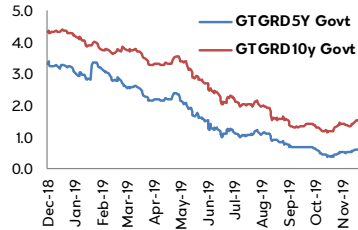
	Last	ΔD	ΔYTD
EUR/USD	1.1144	0.2%	-2.8%
GBP/USD	1.3379	0.4%	4.9%
USD/JPY	109.45	0.0%	0.2%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.84	2	-84
Bund-10yr	-0.28	1	-53
JGB - 10yr	-0.01	1	-1


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.46	0	-272
10Y Bond	1.34	0	-301
Δ(10YBund-10YGB)	1.62	0	-248


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Stock markets

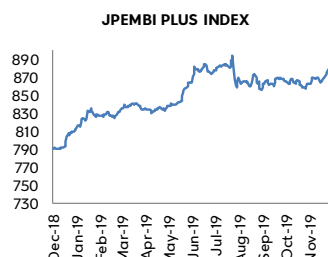
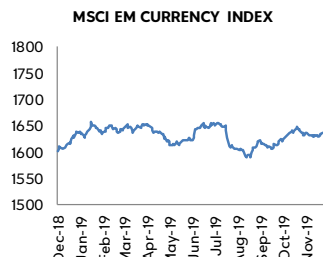
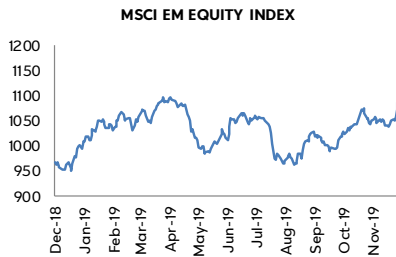
	Last	ΔD	ΔYTD
SOFIX	544.29	0.1%	-8.4%
BELEX	776.28	0.1%	191.5%
XU100	110434.80	0.0%	2099.7%

FOREX

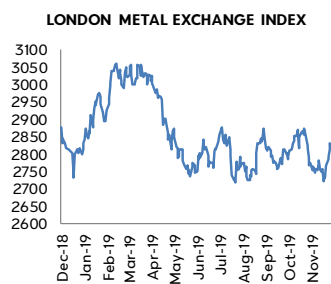
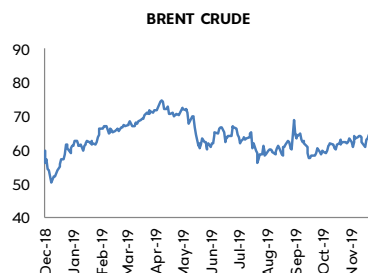
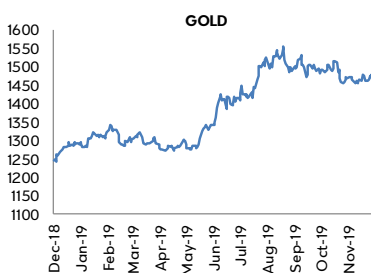
	Last	ΔD	ΔYTD
EUR/PLN	4.2693	0.0%	0.5%
EUR/RSD	117.589	0.1%	0.6%
USD/TRY	5.843	-0.6%	-9.5%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.20	-3	-91
BG 8Y yield	0.13	0	-35
PL 10Y yield	2.01	0	-81


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1476	-0.1%	15.0%
BRENT CRUDE	65	0.0%	21.3%
LMEX	2818	-0.4%	0.6%



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