

# GLOBAL & REGIONAL DAILY

## HIGHLIGHTS

October 17, 2019

### Global Markets

Market worries prevail over whether the EU and the UK can reach a deal-based Brexit in time for the two-day European Council meeting which starts later today. According to press reports, the DUP continues to reject the current proposal on a customs borders in the Irish Sea. That said, even if the EU and the UK reach an agreement on the Brexit proposal as it currently stands, UK PM Boris Johnson may not manage to secure the approval of the House of Commons. With market focus remaining on the Brexit issue, the GBP firmed further against the USD, hovering close to yesterday's five-month peak of 1.2875 at the time of writing. Favored by GBP gains vs the USD, EUR/USD firmed hitting a one-month peak of 1.1086 earlier today. Yesterday's US data showing an unexpected drop of 0.3% mom in September retail sales, the first decline in seven months, may have also had an impact. Elsewhere, European equity markets opened slightly lower, while UST and German Bunds remained supported ahead of a string of US data releases later today.

### Greece

The European Commission, in the context of the assessment of the 2020 Budget, accepted that the fiscal target for a primary balance of 3.5% of GDP for both 2019 and 2020 is in accordance with the preventive arm of the Stability and Growth Pact. The assessment of the 2020 Budget is scheduled to be published on 20 November 2019 along with the 4<sup>th</sup> review in the context of the enhanced surveillance.

### CESEE

Cyprus: The Draft Budget Plan of 2020 envisages the general government surplus to decline to 2.8% of GDP down from a projected 3.8% in 2019. The primary general government surplus is envisaged to reach 5.1% of GDP in 2020 down from a projected 6.2% of GDP in 2019. The decline is attributed to: i) further reductions in public wage cuts estimated at 0.3% of GDP, (ii) the assumption of a fiscally neutral impact of the National Health System (NHS) compared to a positive impact of 0.5% of GDP in 2019, as well as from (iii) the methodological treatment of the signature bonus related to the production sharing contracts for the exploration and exploitation of hydrocarbon reserves.

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## GLOBAL MARKETS

### Stock markets

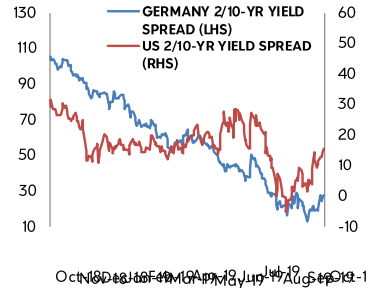
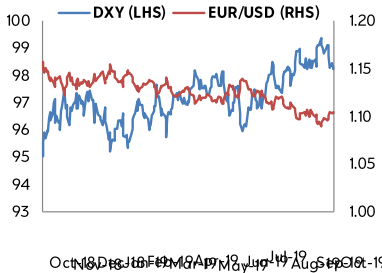
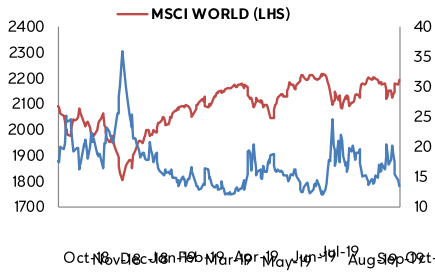
	Last	ΔD	ΔYTD
S&P 500	2989.69	-0.20%	19.3%
Nikkei 225	22451.86	-0.1%	12.2%
STOXX 600	392.94	-0.1%	16.4%

### FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1079	0.1%	-3.4%
GBP/USD	1.2789	-0.3%	0.2%
USD/JPY	108.83	-0.1%	0.8%

### Government Bonds

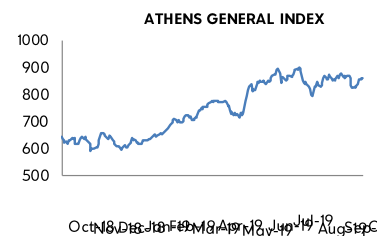
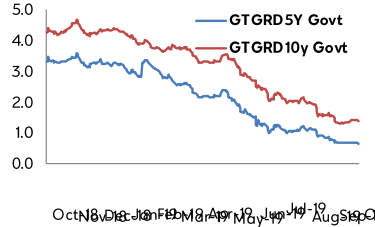
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.74	1	-94
Bund-10yr	-0.38	0	-63
JGB - 10yr	-0.15	1	-16



## GREECE

### Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.65	-1	-253
10Y Bond	1.38	0	-297
Δ(10YBund-10YGG)	1.77	0	-234



## EMERGING MARKETS

### Stock markets

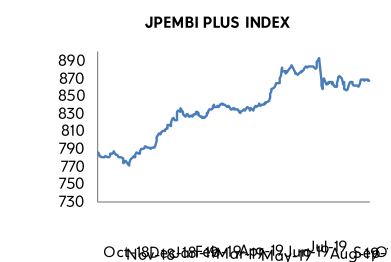
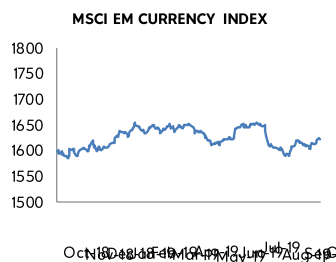
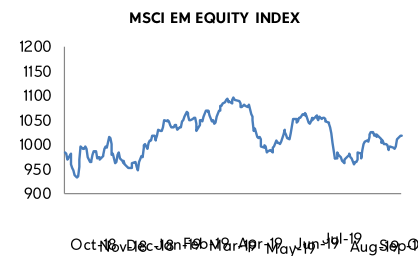
	Last	ΔD	ΔYTD
SOFIX	560.00	0.0%	-5.8%
BELEX	743.39	-0.2%	-240.3%
XU100	94030.11	-0.1%	302.4%

### FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.2849	0.0%	0.1%
EUR/RSD	117.545	0.0%	0.7%
USD/TRY	5.8856	0.0%	-10.1%

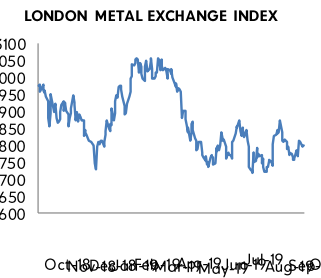
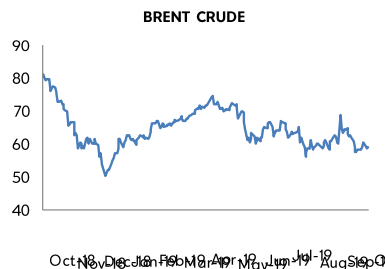
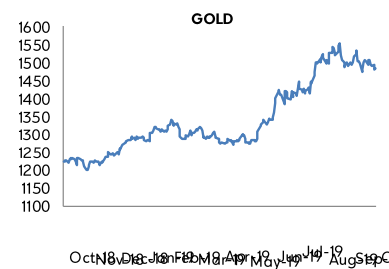
### Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	7.09	-3	-2
BG 8Y yield	0.16	0	-32
PL 10Y yield	2.00	0	-81



## COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1489	-0.1%	16.1%
BRENT CRUDE	59	-0.6%	9.8%
LME	2786	-0.5%	-0.6%



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