

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

September 18, 2019

Global Markets

Market focus is on the outcome of the FOMC's two-day policy meeting, which concludes later today. The Committee is widely expected to cut the federal funds rate by a further 25bps with Chairman Jerome Powell likely to reiterate that the move is a "mild-cycle adjustment" (policy announcement due at 20:00 CET). The Summary of Economic Projections is unlikely to see major changes, while the "dots" for the Federal Funds rate projection will likely be lowered. Awaiting the FOMC's verdict, USTs were firmer across the curve while, in FX markets, the EUR/USD was hovering slightly above the 1.10 handle. Turning to the EMU periphery, BTPs and SPGBs remained under some pressure on domestic political woes.

Greece

In an effort to tackle tax evasion the government is reportedly contemplating increasing the required amount for the tax-free threshold. The relevant provisions, which have not been finalised yet, will be included in the tax reform bill that is expected to be submitted to Parliament in mid-October. Meanwhile, the 10-year GGB yield continues its downward path closing at 1.499% yesterday and standing at 1.487% at the time of writing, a historic low. At the same time the 5-year GGB yield eased to 0.801% at yesterday's closing, trading lower at 0.786% at the time of writing. The yield spread between the 10-year Greek and German benchmark bonds currently stands below the 200 bp barrier, at 197 bp.

CESEE

Cyprus: Despite concerns for a difficult year for the tourism industry, the latest tourist arrivals statistics surprised to the upside. According to the latest release, tourist arrivals increased by -0.3% YoY in August (from 534,847 in August 2018 to 553,845 in August 2019), bringing the rate of expansion up to +0.6% YoY in the first eight months of the year. Tourist arrivals from the UK – the island's biggest market – posted a small increase (+1.5% YoY) while the second largest market, Russia, recorded a -3.2% YoY decline in Jan-Aug2019. Key markets such as Germany and Greece were also down by -17.9%YoY and -7.5%YoY respectively. However, arrivals from Israel expanded by +20.5% YoY contributing to the overall result.

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GLOBAL MARKETS
Stock markets

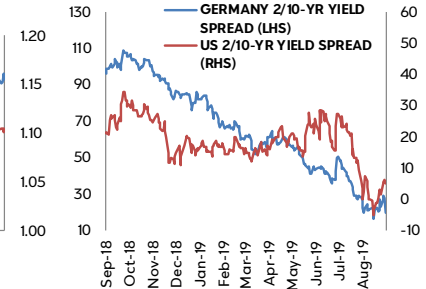
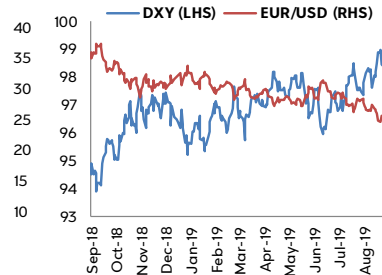
	Last	ΔD	ΔYTD
S&P 500	3005.70	0.26%	19.9%
Nikkei 225	21960.71	-0.2%	9.7%
STOXX 600	388.87	-0.1%	15.2%

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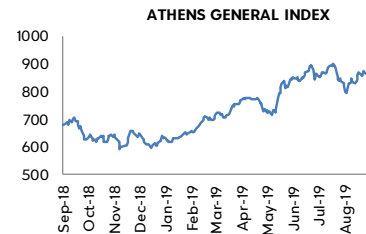
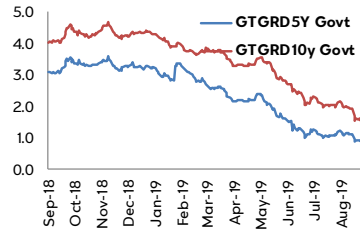
	Last	ΔD	ΔYTD
EUR/USD	1.1058	-0.1%	-3.6%
GBP/USD	1.247	-0.2%	-2.3%
USD/JPY	108.19	-0.1%	1.4%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.79	-1	-90
Bund-10yr	-0.48	-1	-73
JGB - 10yr	-0.19	-3	-19


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.76	0	-242
10Y Bond	1.49	0	-286
Δ(10YBund-10YGGB)	1.97	0	-214


EMERGING MARKETS
Stock markets

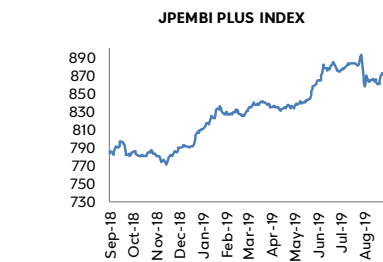
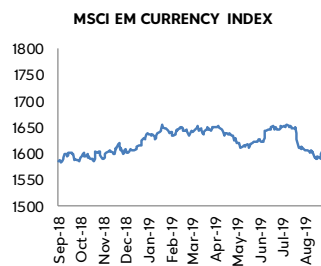
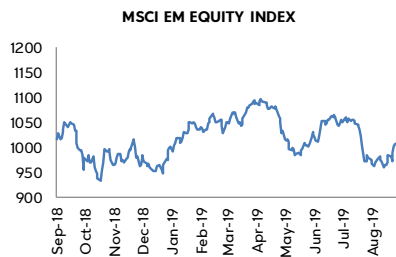
	Last	ΔD	ΔYTD
SOFIX	578.83	0.0%	-2.6%
BELEX	759.87	0.3%	-23.9%
XU100	100911.60	-0.5%	1056.3%

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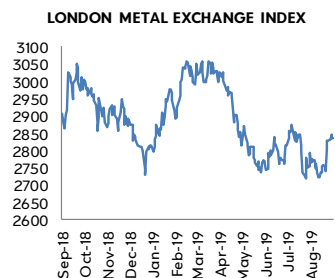
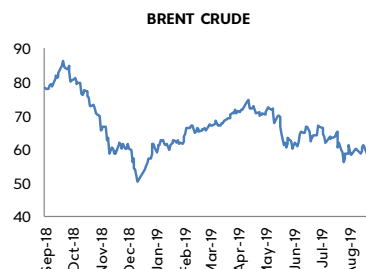
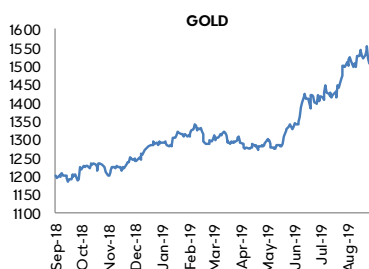
	Last	ΔD	ΔYTD
EUR/PLN	4.3433	-0.2%	-1.2%
EUR/RSD	117.583	0.1%	0.6%
USD/TRY	5.6926	0.1%	-7.1%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	7.03	-5	-8
BG 8Y yield	0.16	-5	-32
PL 10Y yield	2.10	-2	-71


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1502	0.0%	17.1%
BRENT CRUDE	65	0.2%	20.2%
LMEX	2814	-0.9%	0.5%



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