

# GLOBAL & REGIONAL DAILY

## HIGHLIGHTS

November 18, 2019

### Global Markets

Risky assets kicked off the week on a positive tone amid renewed optimism for a US/China trade deal in the not too distant future. Reports from Chinese state news wires suggested that the two sides had “constructive talks” over the weekend, while, in the same positive tone, White House chief economic adviser Larry Kudlow said that negotiations over the first phase of a trade agreement were coming down to the final stages. In reaction to today’s tentative improvement in risk sentiment, US Treasury and Bund yields were slightly up on the day, remaining though well below recent highs. Turning to the FX market, major currency pairs remained trapped within recent ranges, ahead of Friday’s Eurozone PMI surveys and the first major speech by ECB President Christine Lagarde.

### Greece

In its latest report under 2019 Article IV Consultation released on 15 Nov., the IMF revised upwards its GDP annual growth projection from 2.2% to 2.3%. This slight acceleration of the growth prospects is attributed to fiscal loosening and higher private investment financed mostly by foreign capital inflows. The near-term downside risks include weaker global growth, impediments to economic reforms and deterioration of bank balance sheets. In the medium-term low productivity and adverse demographics are expected to weigh down growth. The primary surplus as a percentage of GDP is projected to reach 3.7% in 2019, and 3.1% in 2020, from 3.5% and 3.5% respectively in the previous projections.

### CESEE

Serbia: The EUR/RSD remained bound within a 117.35 -117.55 trading range in the past week. The weekly bias in the FX rate remained neutral as the Central Bank (NBS) managed to intervene on both sides of the range. Initially, the NBS bought €10 million last Monday but on Thursday it sold €25mn to halt the small bullish momentum. Overall, a decisive break on either side of the weekly range is most likely out of the radar as the Central Bank is keen to keep the RSD stable and bring supply and demand for the hard currency in every occasion when there is a shortfall. In other news, the gross FX reserves of NBS reached €13,49bn at the end of October, marking a rise of €203.5mn from September and a new multi-year high (since the methodology was introduced in 2000). The vast majority of this year’s reserve expansion came from the €2.6bn interventions by the NBS.

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**GLOBAL MARKETS**
**Stock markets**

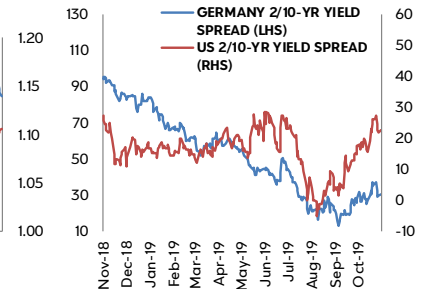
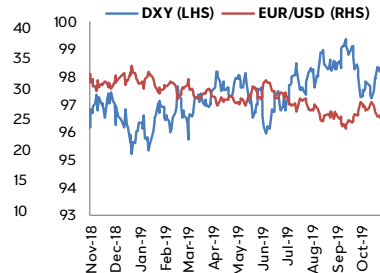
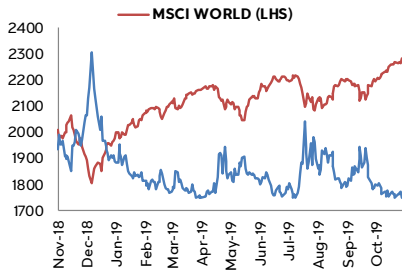
	Last	ΔD	ΔYTD
S&P 500	3120.46	0.77%	24.5%
Nikkei 225	23416.76	0.5%	17.0%
STOXX 600	406.82	0.2%	20.5%

**FOREX**

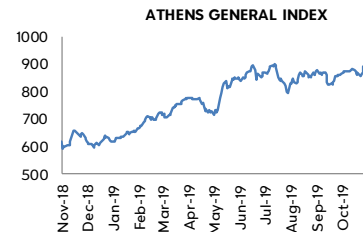
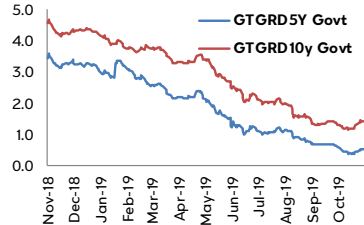
	Last	ΔD	ΔYTD
EUR/USD	1.1062	0.1%	-3.5%
GBP/USD	1.2952	0.4%	1.5%
USD/JPY	108.98	-0.2%	0.7%

**Government Bonds**

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.85	2	-83
Bund-10yr	-0.32	1	-56
JGB - 10yr	-0.08	-1	-8


**GREECE**
**Government Bonds**

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.53	-1	-265
10Y Bond	1.42	-1	-292
Δ(10YBund-10YGG)	1.75	0	-236


**EMERGING MARKETS**
**Stock markets**

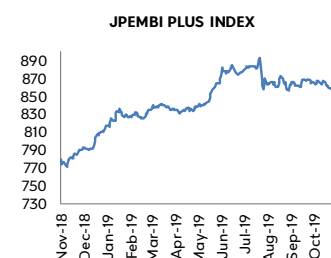
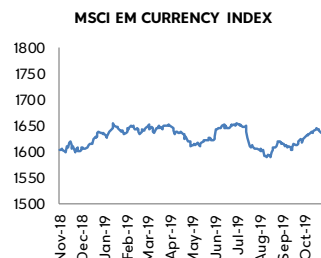
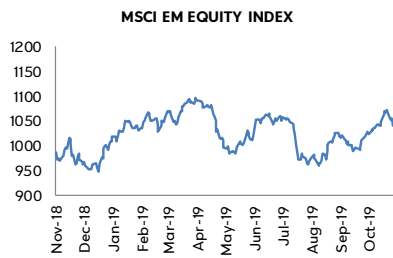
	Last	ΔD	ΔYTD
SOFIX	553.64	0.0%	-6.9%
BELEX	769.32	0.0%	100.2%
XU100	106460.80	1.0%	1664.3%

**FOREX**

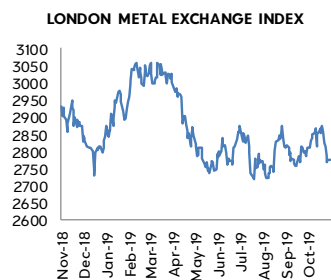
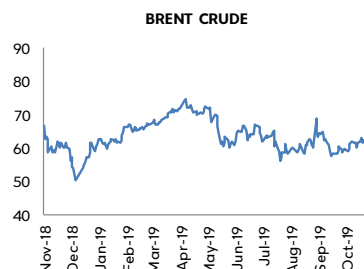
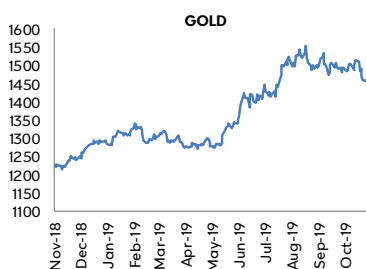
	Last	ΔD	ΔYTD
EUR/PLN	4.2802	-0.1%	0.2%
EUR/RSD	117.481	0.2%	0.7%
USD/TRY	5.7377	0.2%	-7.8%

**Government Bonds**

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.13	-5	-98
BG 8Y yield	0.13	-1	-35
PL 10Y yield	2.11	1	-70


**COMMODITIES**

	Last	ΔD	ΔYTD
GOLD	1460	-0.5%	13.9%
BRENT CRUDE	63	0.0%	17.6%
LME	2774	0.3%	-1.0%



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