

# GLOBAL & REGIONAL DAILY

## HIGHLIGHTS

September 19, 2019

### Global Markets

As was widely expected, yesterday the Fed cut its target range for the federal funds rate by 25bps to 1.75-2.00%. Chairman Jerome Powell justified the rate move based on increased trade uncertainty, slower global growth and muted inflation pressures noting that future policy will depend on incoming information mostly related to trade developments and US macro data. There were limited changes to the accompanying statement and the Fed's growth and inflation forecasts, while the "dots" of rate projections revealed that only 7 of 17 members expected another 25bps cut by year-end and none of them expected further easing through 2022. The lack of clear hints for further Fed rate easing favored the USD, while the 2/10-yr UST yield spread narrowed to the lowest level since 9 September.

### Greece

The Asset Protection Scheme (APS) for the reduction of NPLs – recently named "Hercules project" by the Greek government – has been submitted to DG Comp for approval. The APS, which is similar to the Italian CAGS model, foresees the securitisation of bad loans and is reportedly expected to help banks offload c. €30bn of NPLs while the State will guarantee senior tranches. DG Comp will now need to assess whether the scheme breaches state aid rules while according to the Greek government there will be no burden to the Greek taxpayer whatsoever. Once approved, the relevant bill will be tabled to Parliament so that the scheme may be activated as early as possible.

### CESEE

Cyprus: The cabinet approved the budget framework of 2020. The main macroeconomic parameters of the budget foresee: 1) Real GDP growth to slow down to 2.9% in 2020 from the projected 3.2% YoY in 2019. 2) Inflation to climb to 1.2% in 2020 up from the projected 0.5% in 2019. 3) Unemployment to decline further to 6.0% in 2020 further below the projected 7% in 2019. The budget targets a general government primary and overall surplus of 5.1% of GDP and 2.7% of GDP respectively in 2020 compared to a projected 6.2% and 3.8% respectively in 2019. Accordingly, the public debt to GDP ratio is expected to decline to 97.4% of GDP in 2020 down from the projected 102.7% in 2019.

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

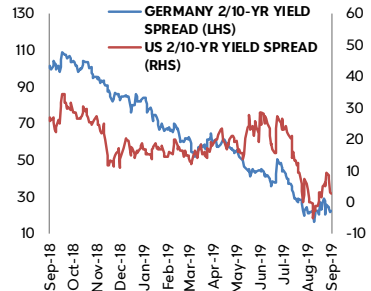
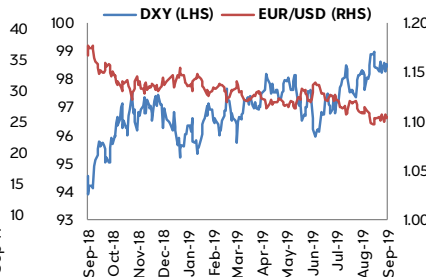
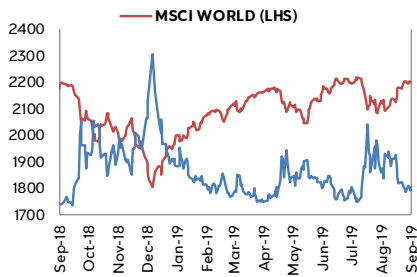
	Last	ΔD	ΔYTD
S&P 500	3006.73	0.03%	19.9%
Nikkei 225	22044.45	0.4%	10.1%
STOXX 600	390.12	0.2%	15.5%

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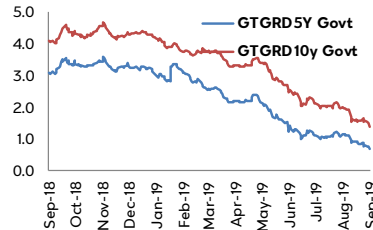
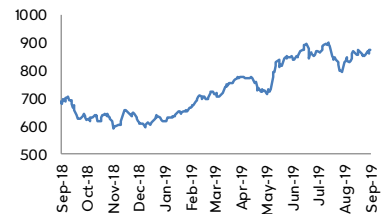
	Last	ΔD	ΔYTD
EUR/USD	1.1041	0.1%	-3.7%
GBP/USD	1.2474	0.0%	-2.2%
USD/JPY	108.07	0.4%	1.5%

**Government Bonds**

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.78	-1	-90
Bund-10yr	-0.50	1	-74
JGB - 10yr	-0.22	-4	-22


**GREECE**
**Government Bonds**

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.69	0	-249
10Y Bond	1.37	-1	-297
Δ(10YBund-10YGGB)	1.87	0	-224


**ATHENS GENERAL INDEX**

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

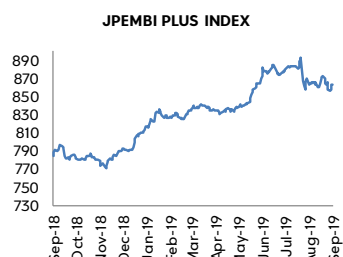
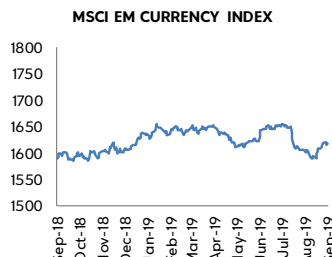
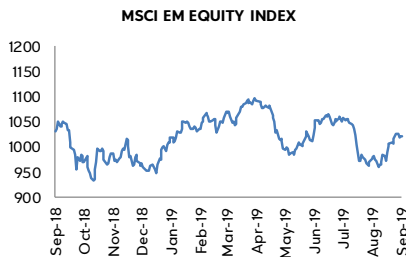
	Last	ΔD	ΔYTD
SOFIX	580.60	0.0%	-2.3%
BELEX	759.43	-0.1%	-29.7%
XU100	101689.10	-0.2%	1141.5%

**FOREX**

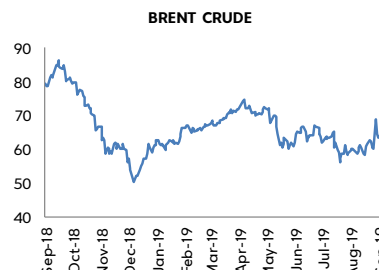
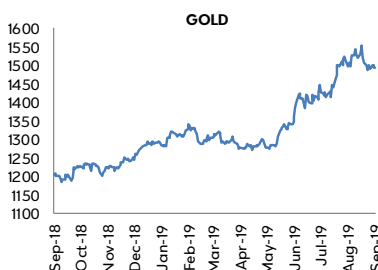
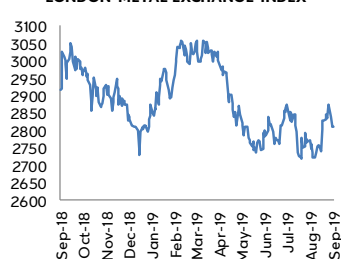
	Last	ΔD	ΔYTD
EUR/PLN	4.3453	-0.1%	-1.3%
EUR/RSD	117.622	0.0%	0.6%
USD/TRY	5.6914	-0.3%	-7.1%

**Government Bonds**

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.96	-3	-15
BG 8Y yield	0.23	3	-25
PL 10Y yield	2.11	4	-70


**COMMODITIES**

	Last	ΔD	ΔYTD
GOLD	1495	0.1%	16.6%
BRENT CRUDE	64	0.1%	18.3%
LMEX	2809	-0.2%	0.3%


**LONDON METAL EXCHANGE INDEX**


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