

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

December 20, 2019

Global Markets

The GBP remained under pressure, heading for its worst week in more than two years, amid market worries over the risk of a no-deal Brexit. Today, UK MPs will debate and vote on the second reading of the Withdrawal Agreement which reportedly includes an amendment that rules out extension of the post-Brexit transition period. Meanwhile, USTs and German Bunds continued to face selling pressure, with respective yields standing not far from yesterday's multi-week intraday highs on market uncertainty about the monetary policy outlook, especially after the Riksbank's decision to raise its key policy rate and lift it out of negative territory for the first time since February 2015. US Treasury Secretary Steven Mnuchin's remarks that the US and China will sign their Phase One trade deal agreement in early January, may also had an impact.

Greece

According to the Bank of Greece, the current account in October 2019 registered a deficit of €0.67, improved by €0.24 bn on an annual basis mainly as a result of better than expected tourism and transport revenue. According to the Minister of Finance Christos Staikouras, the first round of reduction in the solidarity tax is expected in May 2020 conditional on the realized 2020 fiscal space. The reduction is expected at 20% or 30%, i.e. 230 or 350 mn per year (2020 Budget Solidarity tax at 1.16 bn).

CESEE

Serbia: On the completion of the third review, the Executive Board of the IMF assessed that Serbia is on track with the PCI program and that economic performance remains robust, with unemployment falling to record-low levels. GDP growth is projected at 3.5% and 4% in 2019 and 2020 respectively. Moreover, strong fiscal performance continued in the first three quarters of 2019, and the fiscal deficit is expected to be limited to 0.5% of GDP in 2019 and 2020, in line with the program. However, the public sector wage increases adopted with the 2019 supplementary budget exceed IMF advice. The fund stressed that authorities' commitments for next year include implementation of delayed reforms of the public wage system and public employment framework, introduction of new fiscal rules for 2021, as well as measures to strengthen SOE management and corporate governance.

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GLOBAL MARKETS

Stock markets

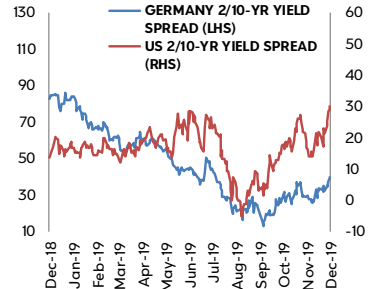
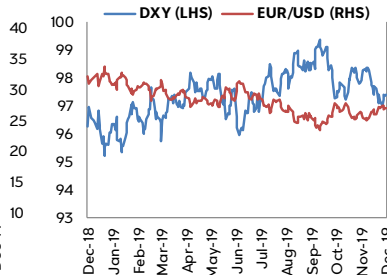
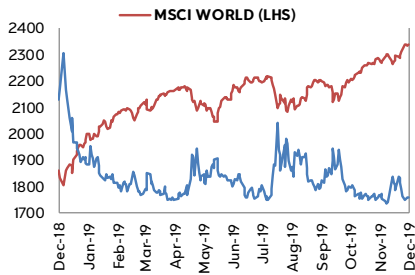
	Last	ΔD	ΔYTD
S&P 500	3205.37	0.45%	27.9%
Nikkei 225	23816.63	-0.2%	19.0%
STOXX 600	416.19	0.3%	23.3%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1117	0.0%	-3.1%
GBP/USD	1.3033	0.2%	2.1%
USD/JPY	109.34	0.0%	0.3%

Government Bonds

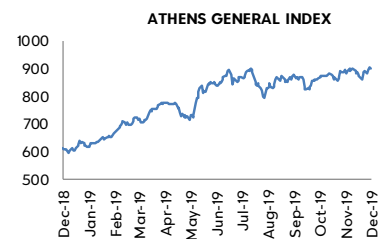
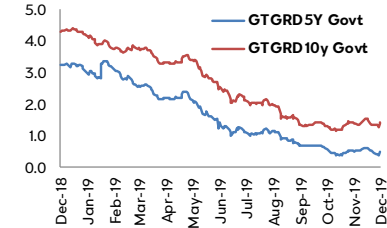
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.94	2	-74
Bund-10yr	-0.22	1	-46
JGB - 10yr	0.01	1	1



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.49	1	-269
10Y Bond	1.41	4	-294
Δ(10YBund-10YGGB)	1.63	0	-248



EMERGING MARKETS

Stock markets

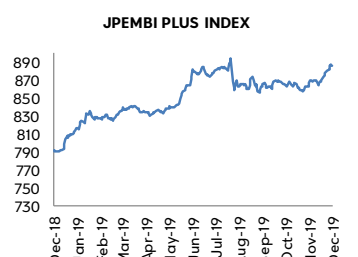
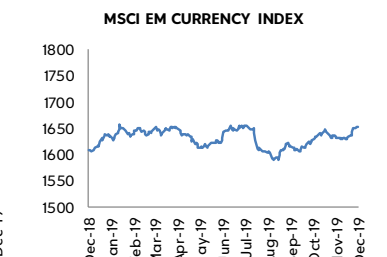
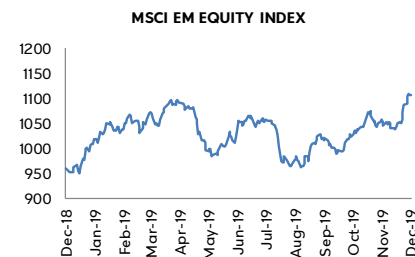
	Last	ΔD	ΔYTD
SOFIX	555.60	0.1%	-6.5%
BELEX	767.20	-0.7%	72.3%
XU100	111464.60	0.8%	2212.6%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.2567	0.1%	0.8%
EUR/RSD	117.581	-0.1%	0.6%
USD/TRY	5.9212	0.3%	-10.7%

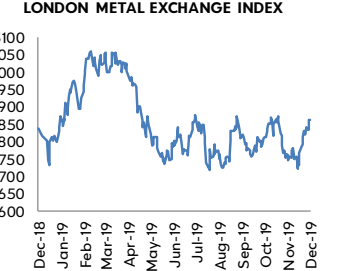
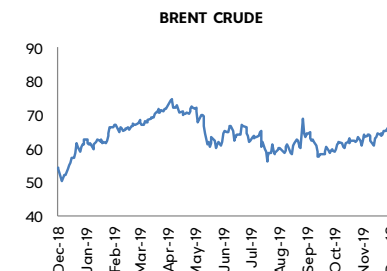
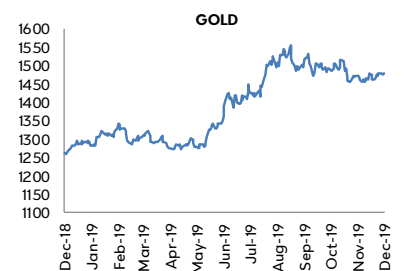
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.15	-3	-96
BG 8Y yield	0.16	0	-32
PL 10Y yield	2.09	1	-73



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1478	-0.1%	15.2%
BRENT CRUDE	66	-0.1%	23.6%
LMEX	2860	0.9%	2.1%



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