

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

October 22, 2019

Global Markets

Market optimism that the road to a no deal Brexit has largely closed off and hopes for progress in US/China trade talks, dominated sentiment in financial markets early today. According to the US President's economic advisor Larry Kudlow, the US administration may hold off on tariff increases in mid-December if US/China trade negotiations go well. With investors awaiting the vote in the UK House of Commons on the second reading of the EU Withdrawal Agreement Bill scheduled for 7 p.m, UST and German Bunds remained under pressure, while the GBP retained a firm tone standing not far from yesterday's five-month peak of 1.3012 against the USD. Looking at today's calendar, the results of the ECB's euro area Bank Lending Survey for Q3 and US existing home sales are due for release but are unlikely to have a major market impact as investors remain focused on Brexit developments and US/China trade talks.

Greece

According to the Balance of Payments data released yesterday by the Bank of Greece, the current account deficit shrunk on an annual basis by €994.7 mn in the period January-August 2019 (from -€1,905.4 to -€910.7 mn). The rise of the surplus in the balance of services (tourism and transportation) counterbalanced the increase of the deficit in the balance of goods by €680.5 mn. Finally, the surplus in the secondary income expanded by €254.8 mn (a return of part of the SMP and ANFA profits in May-19 contributed positively to that result) and the deficit in the primary income increased by €59.5 mn.

CESEE

Cyprus: CYPSTAT announced the revision of the national accounts data for 2010-2018. Real GDP expanded by 4.1% in FY2018 (up from 3.9% previously) compared to 4.4% in 2017 (down from 4.5% previously), 6.7% in 2016 (up from 4.8% previously) and 3.4% in 2015 (vs. only 2.0% previously). The data revision showed that in 2015-2017 the economy had rebounded from the earlier recession even faster than previously thought.

Bulgaria: The main index SOFIX had a modest gain of 0.48% reaching 564.83 points in the past week with a subdued volume of €1.3mn. External bond yields continued to slide down with a range of 1-2 bps across all tenors, while local bond yields exhibited gains of 1-2 bps across all tenors except the 10Y, which dropped by 2bps.

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GLOBAL MARKETS
Stock markets

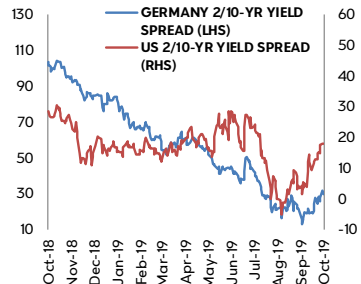
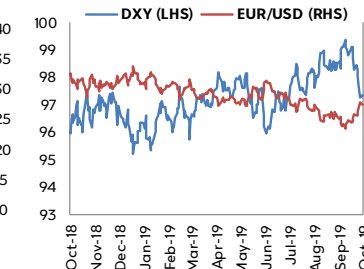
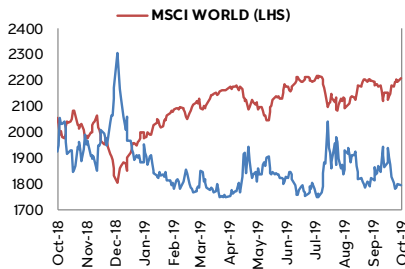
	Last	ΔD	ΔYTD
S&P 500	3006.72	0.69%	19.9%
Nikkei 225	22548.90	0.2%	12.7%
STOXX 600	392.99	-0.3%	16.4%

FOREX

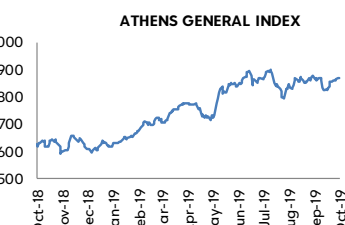
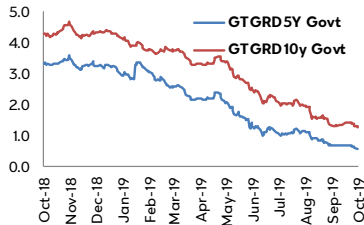
	Last	ΔD	ΔYTD
EUR/USD	1.1145	0.0%	-2.8%
GBP/USD	1.295	-0.1%	1.5%
USD/JPY	108.53	0.1%	1.1%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.78	-2	-90
Bund-10yr	-0.36	-1	-60
JGB - 10yr	-0.13	1	-13


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.56	-3	-262
10Y Bond	1.29	-3	-306
Δ(10YBund-10YGGB)	1.64	0	-246


EMERGING MARKETS
Stock markets

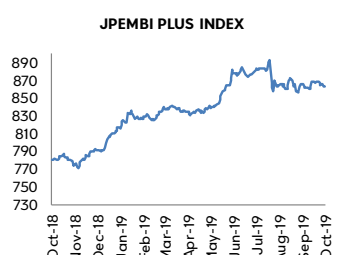
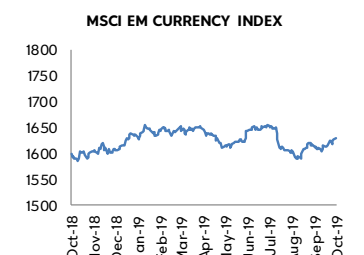
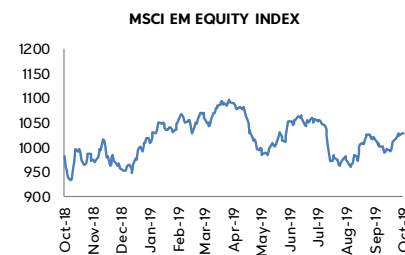
	Last	ΔD	ΔYTD
SOFIX	564.29	-0.2%	-5.1%
BELEX	745.08	-0.6%	-218.1%
XU100	97905.66	0.6%	727.0%

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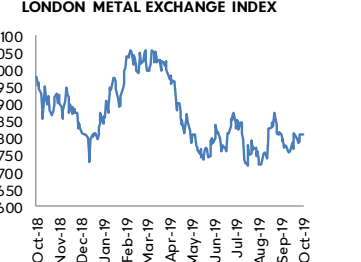
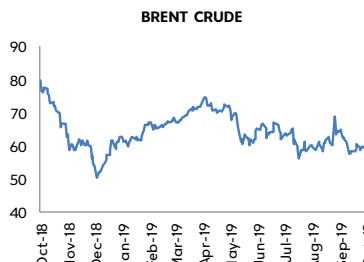
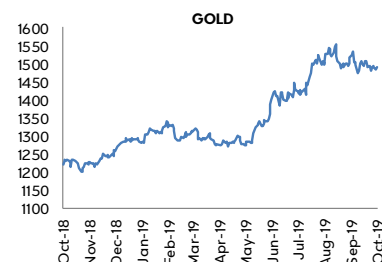
	Last	ΔD	ΔYTD
EUR/PLN	4.2767	0.0%	0.3%
EUR/RSD	117.766	0.0%	0.5%
USD/TRY	5.8382	0.3%	-9.4%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.98	-8	-13
BG 8Y yield	0.16	2	-32
PL 10Y yield	2.02	-1	-79


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1488	0.2%	16.0%
BRENT CRUDE	59	0.1%	9.6%
LMEX	2811	0.0%	0.3%



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