

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

August 26, 2019

Global Markets

Risk-off sentiment prevailed in early trade, with European equity markets opening lower and Asian bourses losing ground in today's session, following the latest tit-for-tat trade war escalation between the world's two largest economies. Just a few hours after China unveiled on Friday afternoon retaliatory tariffs on \$75bn worth of US goods, US President Donald Trump announced an additional 5% duty on all US imports of goods from China which amount to around \$550bn and urged US companies to "immediately start looking for an alternative to China". US Treasuries gained sharply with the 10-yr yield falling to a fresh two-year low of 1.443% earlier today. German Bunds also gained but to a lesser extent, with the 10-yr yield marking a session low of -0.704% earlier today, close to a fresh record trough of -0.727% marked earlier this month. In FX markets, the EUR/USD was 0.3% weaker on the day hovering around 1.1110/13 at the time of writing, ahead of the German IFO index for August later today.

Greece

The government is reportedly planning to discuss with the institutions the adjustment of real estate zonal values and potential subsequent changes in the ENFIA tax rates. According to the June 2019 EPPS review, a further partial realignment of zonal property tax values is to be undertaken in 2019 to bring them closer to the market price valuations established in 2018 with an aim to fully realigning them by 2020. Meanwhile, the Minister of Development Adonis Georgiadis, stated in an interview that the pending Joint Ministerial Decisions pertaining to the Hellinikon investment will most likely be issued next week.

CESEE

Emerging market equities and currencies appear sizably infected by the fresh retaliatory tariffs announced within the weekend from both the US and China. At the time of writing, the MSCI Emerging Markets Equities Index is sliding close to 1.8% compared to Friday's closing price while the respective Currency Index is down by 0.6%. Additionally, the risk premia on EM sovereign bonds are a tad pinched by 0.8%. On the data front, this week is considered rather quiet with attention focusing mainly on Serbia's trade balance data for July, due on Friday. On the same day, an update on Romania's sovereign rating is anticipated from S&P.

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GLOBAL MARKETS

Stock markets				FOREX			Government Bonds			Commodities					
	Last	ΔD	ΔYTD		Last	ΔD	ΔYTD	(yields)	Last	ΔDbps	ΔYTD bps	Last	ΔD	ΔYTD	
S&P 500	2847.11	-2.6%	13.6%	EUR/USD	1.112	-0.2%	-3.0%	UST - 10yr	1.45	-9	-124	GOLD	1530	0.2%	19.3%
Nikkei 225	20261.04	-2.2%	1.2%	GBP/USD	1.226	0.0%	-3.9%	Bund-10yr	-0.67	1	-91	BRENT CRUDE	59	-0.2%	10.1%
STOXX 600	369.81	-0.4%	9.5%	USD/JPY	105.76	-0.3%	3.7%	JGB - 10yr	-0.27	-3	-27	LMEX	2724	-0.4%	-2.8%

SERBIA
Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	1.45	0	-99
1-week	1.54	0	-102
1-month	1.78	-1	-95
3-month	2.03	0	-100
6-month	2.15	-1	-103

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	2.30	-1	-76
5Y RSD	2.45	0	-106
7Y RSD	2.99	0	-116

RS Eurobonds

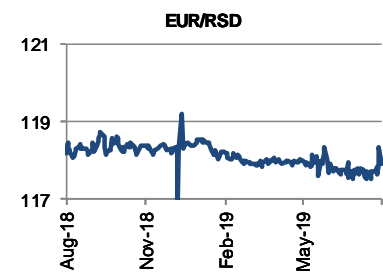
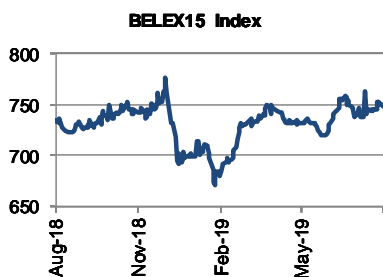
	Last	ΔDbps	ΔYTD bps
USD Feb-20	2.62	0	-137

STOCKS

	Last	ΔD	ΔYTD
BELEX15	749.1	-0.27%	-1.65%

FOREX

	Last	ΔD	ΔYTD
EUR/RSD	118.02	0.15%	0.19%


ROMANIA
Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	3.53	0	244
1-month	2.8	0	93
3-month	3.07	0	102
6-month	3.16	0	89
12-month	3.26	0	94

RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	3.42	0	-61
5Y RON	3.71	0	-63
10Y RON	4.07	0	-74

RO Eurobonds

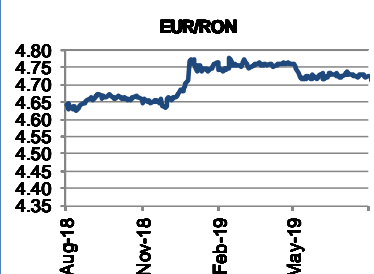
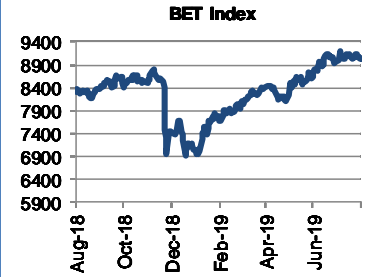
	Last	ΔDbps	ΔYTD bps
EUR Oct-25	0.60	-	-94
USD Jan-24	2.54	0	-169

STOCKS

	Last	ΔD	ΔYTD
BET	9028.5	-0.73%	22.28%

FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.7243	-0.02%	-1.49%


BULGARIA
Money Market

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	0.01	0	1
1-month	-0.22	8	3
3-month	-0.14	9	4
6-month	-0.02	10	3
12-month	0.36	14	4

BG Local Bonds

(yields)	Last	ΔDbps	ΔYTD bps
3Y BGN	-0.31	-1	-25
5Y BGN	-0.12	0	-23
10Y BGN	0.22	0	-53

87.94

BG Eurobonds

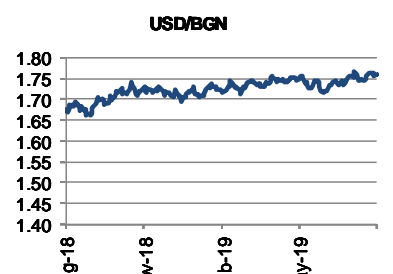
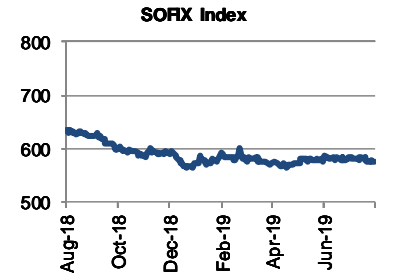
	Last	ΔDbps	ΔYTD bps
EUR Mar-22	-0.32	0	-27
EUR Sep-24	-0.07	0	-55

STOCKS

	Last	ΔD	ΔYTD
SOFIX	575.7	-0.14%	-3.16%

FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.759	-0.21%	-3.04%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research

Data updated as of 10:30 EEST

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