

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

September 26, 2019

Global Markets

USTs were firmer on the day as the latest mixed signals from US President Donald Trump dented market optimism for an imminent resolution to the US/China trade dispute. The US administration's decision to impose sanctions on certain Chinese firms it deems guilty of imposing oil from Iran, had also had an impact. The 10-yr UST yield was ca 3bps lower on the day hovering around 1.70% at the time of writing after hitting a session peak of 1.74% y-day following US President Donald Trump's comments that a trade agreement "could happen sooner" than people think. In FX markets, the GBP was weaker amid prevailing uncertainty surrounding Brexit developments while the EUR/USD remained under pressure on mounting concerns about the Eurozone's growth outlook.

Greece

According to the final State Budget Execution data for January – August 2019 the overall fiscal balance registered a deficit of €1.6bn, against a targeted deficit of €5.0 bn in the 2019 Budget. The State Budget Primary Balance recorded a surplus of €2.9 bn, against a targeted primary deficit of €0.3 bn in the 2019 Budget. In other news, according to ELSTAT's quarterly labour force survey (LFS), annual employment growth accelerated to 2.5% in 2019H1 from 2.2% in 2018H2. 2019H1 was the 10th semester in a row with positive annual growth in employment. Given that performance, the 34.0% of employment's losses recorded during the crisis have been recovered. The respective recovery of real GDP is much lower given the poor performance of labor productivity growth.

CESEE

Cyprus: Retail sales in volume terms expanded by 4.7% YoY in July up from 2.4% YoY in June and 2.7% YoY in May, bringing the year to July performance at 2.8% YoY. The volume of non-performing exposures (NPEs) remained unchanged on a monthly basis in April at €10.1bn. Loan exposures (performing plus non-performing) declined further by €165mn in April after a €9mn small decline in March, which is a higher decrease than in the non-performing component alone. The deleveraging has caused the ratio of NPEs (non-performing to total exposures) to slightly increase to 30.8% in April compared to 30.6% in March, 30.3% in December 2018 and 43.7% in December 2017. Recall that, a large fraction of the restructured loans are still classified as NPEs (€4.581mn out of €6.391mn in April 2019).

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GLOBAL MARKETS

Stock markets

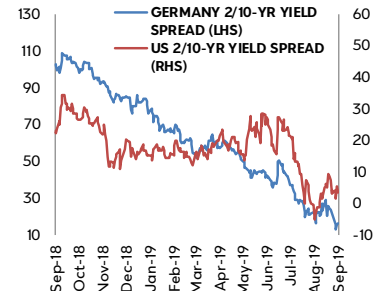
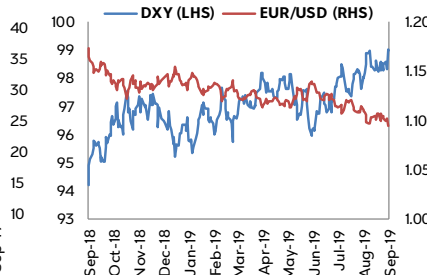
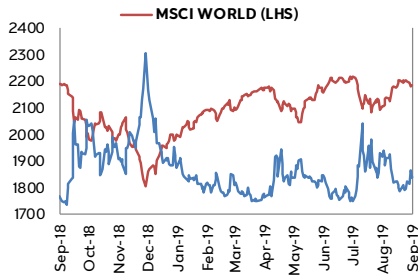
	Last	ΔD	ΔYTD
S&P 500	2984.87	0.62%	19.1%
Nikkei 225	22048.24	0.1%	10.2%
STOXX 600	387.62	0.0%	14.8%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.0946	0.0%	-4.6%
GBP/USD	1.2354	0.0%	-3.2%
USD/JPY	107.67	0.1%	1.9%

Government Bonds

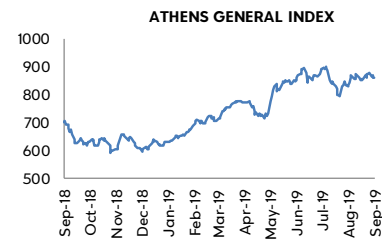
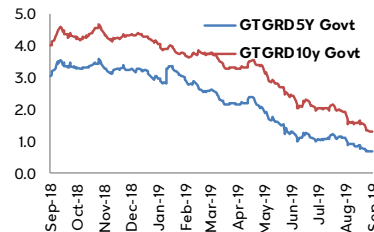
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.70	-3	-98
Bund-10yr	-0.58	0	-82
JGB - 10yr	-0.25	1	-25



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.68	0	-250
10Y Bond	1.33	0	-302
Δ(10YBund-10YGB)	1.91	0	-220



EMERGING MARKETS

Stock markets

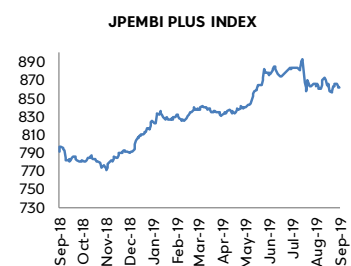
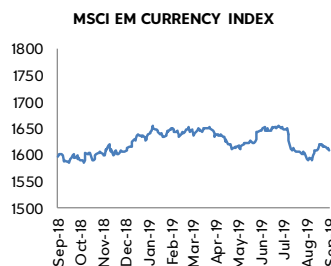
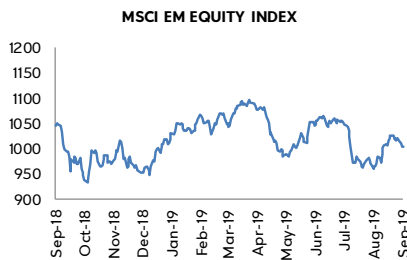
	Last	ΔD	ΔYTD
SOFIX	570.64	-0.5%	-4.0%
BELEX	753.22	0.0%	-111.2%
XU100	102993.00	0.4%	1284.4%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.3738	0.2%	-1.9%
EUR/RSD	117.559	-0.3%	0.7%
USD/TRY	5.6779	-0.1%	-6.8%

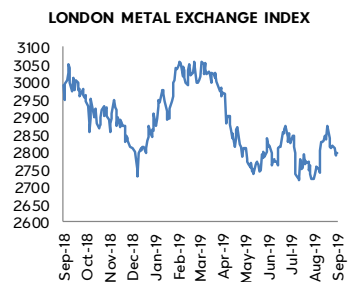
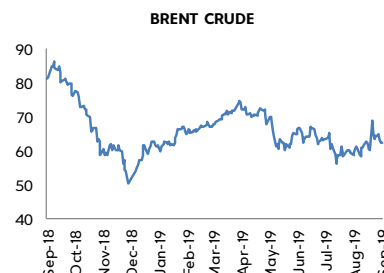
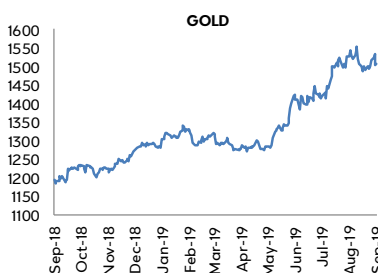
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.84	-5	-27
BG 8Y yield	0.22	0	-26
PL 10Y yield	2.03	0	-78



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1507	0.2%	17.5%
BRENT CRUDE	62	-0.3%	15.6%
LMEX	2795	0.2%	-0.2%



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