

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

August 28, 2019

Global Markets

Market focus remains on Italian political developments. Italian President Sergio Mattarella is scheduled to meet the leaders of the main political parties this afternoon for feedback on their efforts to form a coalition government. Meanwhile, investors assign a good probability for a coalition between the PD and the M5S with the 10-yr BTP yield hovering around 1.53% at the time of writing, just 11bps above the record low of 1.04% (March 2015 & August 2016). Elsewhere, investors retain a cautious stance against risk assets on market uncertainty over the chance of a meaningful resolution in the US/China trade dispute, major government bonds remain well supported and, in FX markets, the EUR/USD continues to consolidate within the 1.1000-1.1200 recent range.

Greece

According to press, the Asset Protection Scheme, which was brought forward by the HFSF, is expected to be ready in Oct and activated in the fourth quarter of 2019. The four Greek systemic banks are reportedly examining transferring NPLs in the order of €20bn to the scheme. Meanwhile, Greek 10YR benchmark yield continues its downward movement standing at the time of writing at 1.813%, an all-time low on the back of the announcement of the full lifting of capital controls by September 1st. On the privatisations front, according to press, the new government is contemplating a different course of action regarding the privatisation of DEPA, which will not entail its break-up into a network and a commercial entity.

CESEE

Romania: ALDE, a junior party in the Romanian ruling coalition, broke the political partnership with the Social Democratic Party (PSD) and exited the government. The ALDE has been threatening to leave for a few weeks if the PSD does not meet its demands for a smaller and more flexible scheme of governance. Early parliamentary elections will have to wait, according to the country's constitution, until presidential elections are completed, which, as things stand, are scheduled for November 2019. Hungary: In yesterday's MPC meeting, the National Bank left both the key policy rate and the overnight deposit rate unchanged at 0.9% and -0.5% respectively. The decision was broadly in line with market expectations.

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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	2869.16	-0.3%	14.5%	EUR/USD	1.1093	0.0%	-3.3%	UST - 10yr	1.46	-1	-123	GOLD	1541	-0.1%	20.2%
Nikkei 225	20479.42	0.1%	2.3%	GBP/USD	1.2279	-0.1%	-3.8%	Bund-10yr	-0.71	-1	-95	BRENT CRUDE	60	0.9%	11.6%
STOXX 600	372.69	-0.2%	10.4%	USD/JPY	105.72	0.0%	3.8%	JGB - 10yr	-0.27	-1	-28	LMEX	2737	0.5%	-2.3%

SERBIA
Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	1.45	0	-99
1-week	1.54	0	-102
1-month	1.78	0	-95
3-month	2.02	0	-101
6-month	2.14	0	-104

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	2.27	-1	-79
5Y RSD	2.45	0	-106
7Y RSD	2.99	0	-116

RS Eurobonds

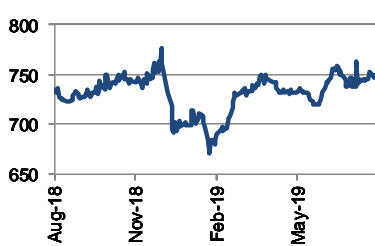
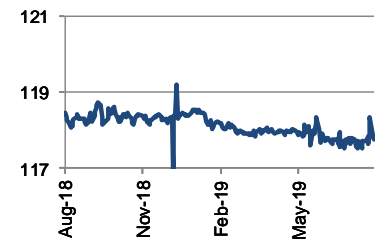
	Last	ΔDbps	ΔYTD bps
USD Feb-20	2.59	-1	-141

STOCKS

	Last	ΔD	ΔYTD
BELEX15	749.7	0.32%	-1.58%

FOREX

	Last	ΔD	ΔYTD
EUR/RSD	117.83	0.01%	0.34%

BELEX15 Index

EUR/RSD

ROMANIA
Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	2.92	0	183
1-month	2.82	0	95
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	3.46	0	-58
5Y RON	3.76	0	-58
10Y RON	4.10	0	-71

RO Eurobonds

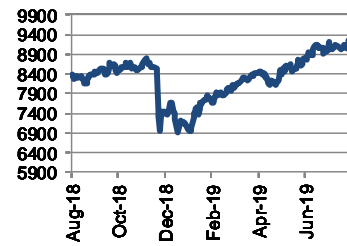
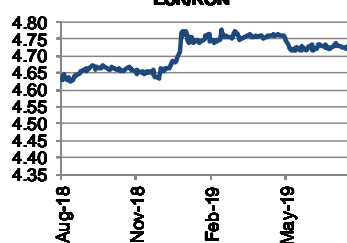
	Last	ΔDbps	ΔYTD bps
EUR Oct-25	0.62	-	-92
USD Jan-24	2.56	0	-168

STOCKS

	Last	ΔD	ΔYTD
BET	9235.1	-0.25%	25.08%

FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.7359	-0.06%	-1.73%

BET Index

EUR/RON

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	-0.32	-7	-27
5Y BGN	-0.12	-5	-24
10Y BGN	0.20	0	-55

87.94

BG Eurobonds

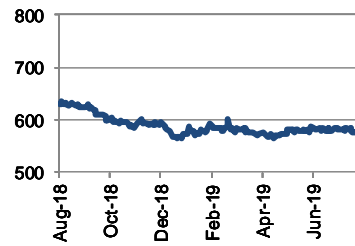
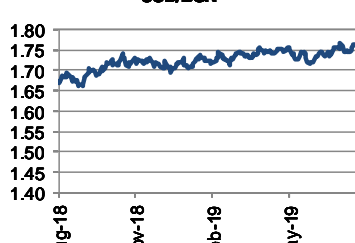
	Last	ΔDbps	ΔYTD bps
EUR Mar-22	-0.30	0	-26
EUR Sep-24	-0.07	0	-56

STOCKS

	Last	ΔD	ΔYTD
SOFIX	572.9	0.00%	-3.63%

FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.7634	0.02%	-3.28%

SOFIX Index

USD/BGN


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

Data updated as of 10:05 EEST

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