

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

September 30, 2019

Global Markets

The EUR/USD remained under pressure in early European trade on Monday, hovering not far from last week's year-to-date low close to 1.09, as market focus remains on the divergence between the US and the euro area economy in favor of the former. The GBP continued also to face broad-based selling pressure on the back of mounting Brexit uncertainty and increased risk of snap elections. Opposition MPs are reportedly considering calling a vote of confidence, while PM Boris Johnson reiterated, that the UK would leave the EU on 31 October with or without a deal. UST and German Bunds were little changed on the day, while major European stocks opened modestly lower on reports that the US administration is considering delisting Chinese companies from US stock exchanges.

Greece

In its Staff Concluding Statement of the 2019 Article IV Mission, the IMF forecasts 2019 and 2020 GDP growth around 2% and long-term GDP growth at 0.9%. Public debt sustainability risks remain low for the next decade but long-term sustainability is not assured. More vigorous efforts should be made to tackle problems in the financial sector including NPLs reduction, acceleration of judicial procedures and reinforcing a payment culture. The reduction of primary surplus targets would support the economic and social recovery, however, other measures should be taken to broaden the tax base and create additional fiscal space. Finally, more needs to be done towards opening up closed professions and product markets while the recent labour market reforms should be supported.

CESEE

Serbia: The EUR/RSD remained bound within a 117.40 -117.60 trading range in the past week. The Dinar remained heavily safeguarded by the National Bank of Serbia (NBS). In order to maintain the gradual appreciation pace of the local currency, NBS bought this week an additional €140mn, bringing the cumulative amount at €2.16bn since the beginning of the year. Despite being a heavy buyer, the FX rate still looks most likely poised to continue going further south. In other news, the government has decided to issue long-term bonds worth RSD8.97bn to cover the costs related to the conversion and writing-off of citizens' debts in line with the Law on the Conversion of Housing Loans indexed in Swiss francs.

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GLOBAL MARKETS

Stock markets

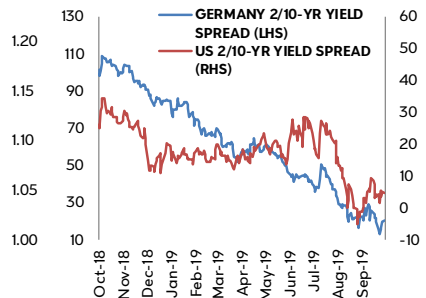
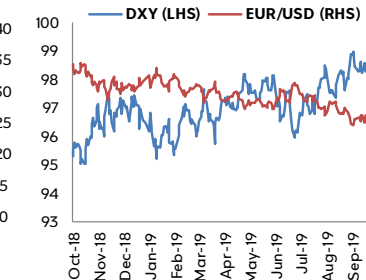
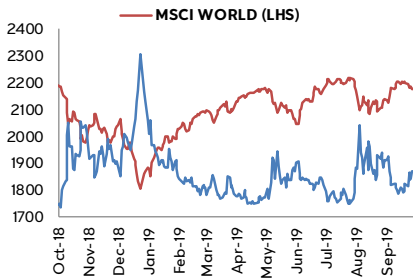
	Last	ΔD	ΔYTD
S&P 500	2961.79	-0.53%	18.1%
Nikkei 225	21755.84	-0.6%	8.7%
STOXX 600	391.17	-0.2%	15.9%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.0942	0.0%	-4.6%
GBP/USD	1.2306	0.1%	-3.6%
USD/JPY	107.79	0.1%	1.8%

Government Bonds

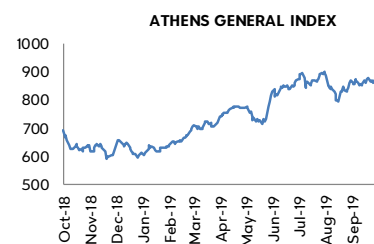
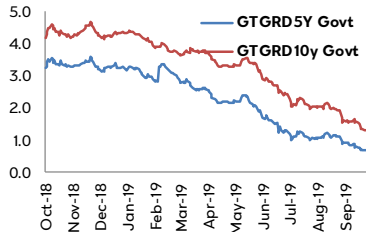
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.68	0	-100
Bund-10yr	-0.57	1	-81
JGB - 10yr	-0.22	2	-22



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.69	0	-249
10Y Bond	1.33	1	-302
Δ(10YBund-10YGG)	1.89	0	-221



EMERGING MARKETS

Stock markets

	Last	ΔD	ΔYTD
SOFIX	574.60	0.0%	-3.3%
BELEX	755.41	-0.4%	-82.4%
XU100	105591.60	0.4%	1569.1%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.3759	0.1%	-2.0%
EUR/RSD	117.573	0.1%	0.6%
USD/TRY	5.6571	0.3%	-6.5%

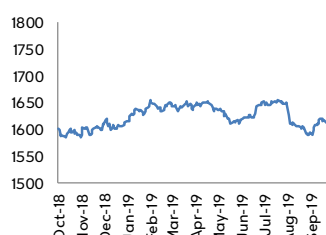
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.70	-3	-41
BG 8Y yield	0.19	0	-29
PL 10Y yield	2.00	1	-81

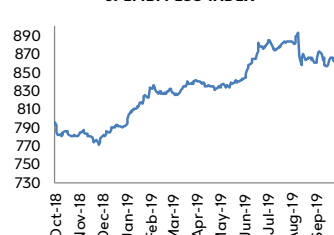
MSCI EM EQUITY INDEX



MSCI EM CURRENCY INDEX

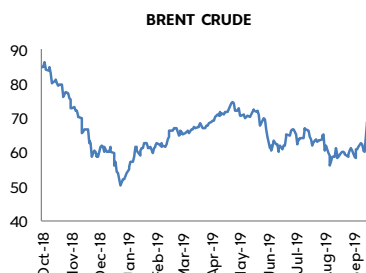
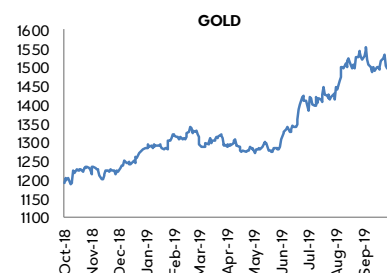


JPEMBI PLUS INDEX

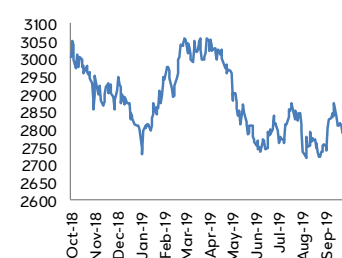


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1493	-0.3%	16.4%
BRENT CRUDE	62	-0.7%	14.3%
LME	2780	0.3%	-0.8%



LONDON METAL EXCHANGE INDEX



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