

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

October 31, 2019

Global Markets

The Fed cut rates by 25bps at this week's two-day monetary policy meeting which concluded yesterday, taking the target range for the fed funds rate to 1.50-1.75%. In the accompanying statement, the Fed dropped the phrase that stated "will act as appropriate" to sustain the economic expansion and instead stated that it will "assess the appropriate path of the target range for the federal funds rate" based on incoming information for the economic outlook. In line with the above, Fed Chair Jerome Powell hinted in the post-meeting press conference that the Central Bank does not plan to make any more cuts in the near future unless upcoming developments cause the Fed to materially reassess its outlook. Meanwhile, major European bourses opened slightly higher today and core government bonds were firmer on the day, while the USD was weaker, failing to capitalize on yesterday's positive US Q3 GDP data.

Greece

The Economic Sentiment Indicator (source: European Commission), after reaching nearly a 11.8 year high in Aug-19 (108.4 units, one month after the national elections of Jul-19), it dropped for a 2nd month in a row in Oct-19 (106.7 units). In the same month, the respective index in the Euro Area decreased to a 4.8 year low (100.8 units). In the case of Greece, the confidence indicators in services (-4.8 units MoM), retail trade (-6.6 units MoM) and consumers (-1.6 units MoM) registered a downward correction relative to the respective high values in the months before. On the other hand the confidence indicators in industry (+0.8 units MoM) and construction (+5.8 units MoM) increased.

CESEE

According to the Finance Minister, Vladislav Goranov's statement in the local media, *Bulgaria* is expected to receive an invitation to join the ERM-II and the EU's Banking Union by the end of April 2020. Mr. Goranov added that a new meeting between Bulgaria's government, the EC and the ECB will be held in late November so as for the latter to discuss further issues regarding the entrance in the ERM-II. In case Bulgaria enters the ERM-II in mid-2020, it will have to stay under this monetary regime for at least two years before it could finally adopt the euro. In *Serbia*, the Ministry of Finance redeemed on Tuesday 3-year bonds for RSD 6bn maturing on Apr 5, 2020. The bonds were carrying a 4.5% annual coupon and were redeemed at a yield rate of 1.83%.

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GLOBAL MARKETS

Stock markets

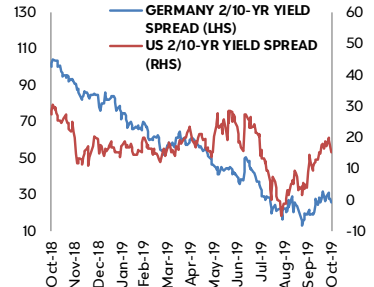
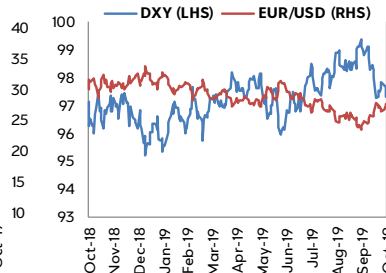
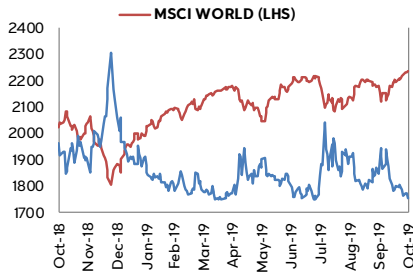
	Last	ΔD	ΔYTD
S&P 500	3046.77	0.33%	21.5%
Nikkei 225	22927.04	0.4%	14.6%
STOXX 600	398.70	0.1%	18.1%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1159	0.1%	-2.7%
GBP/USD	1.2933	0.3%	1.4%
USD/JPY	108.63	0.2%	1.0%

Government Bonds

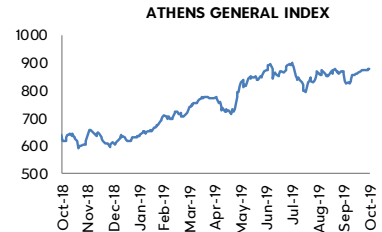
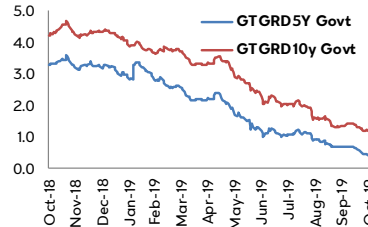
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.77	0	-92
Bund-10yr	-0.39	-4	-63
JGB - 10yr	-0.14	-3	-14



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.40	-1	-278
10Y Bond	1.17	-1	-317
Δ(10YBund-10YGGB)	1.57	0	-254



EMERGING MARKETS

Stock markets

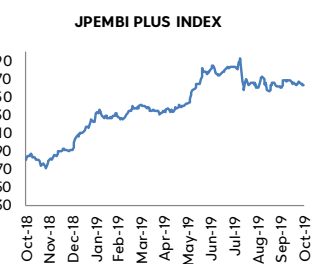
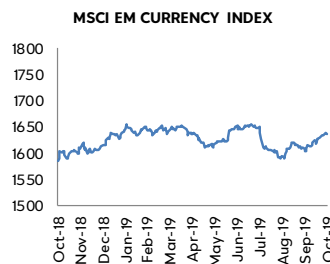
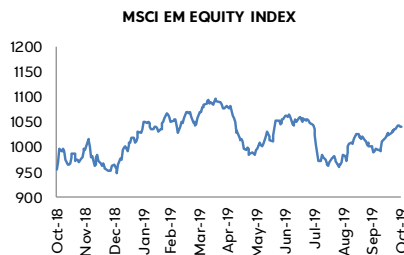
	Last	ΔD	ΔYTD
SOFIX	555.86	-0.1%	-6.5%
BELEX	749.79	0.0%	-156.2%
XU100	98935.62	0.2%	839.8%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.2587	0.0%	0.7%
EUR/RSD	117.677	0.1%	0.6%
USD/TRY	5.7056	-0.1%	-7.3%

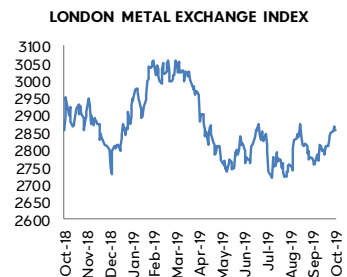
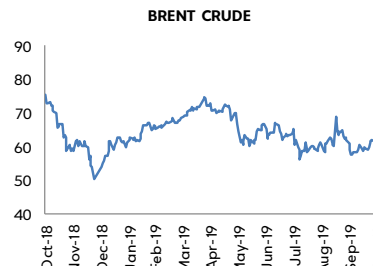
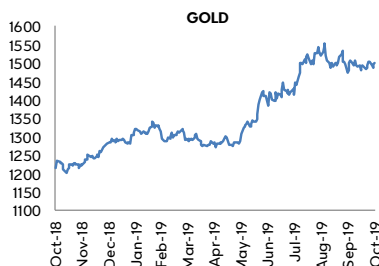
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.56	-6	-55
BG 8Y yield	0.15	0	-33
PL 10Y yield	2.01	0	-80



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1499	0.2%	16.9%
BRENT CRUDE	61	0.6%	13.3%
LMEX	2858	-0.4%	2.0%



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