

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

October 4, 2021

Global Markets

According to US data releases on Friday, consumer spending posted a robust gain of 0.8%MoM in August, outpacing a more modest rise of 0.2%MoM in personal income. Separately, the September ISM manufacturing index rose to 61.1 from 59.9 in August, even as supply bottlenecks intensified, while the September UM consumer sentiment index was revised higher by 1.8pts to 72.8. Turning to the EA, headline inflation accelerated to 3.4%YoY in September from 3.0%YoY in August, mainly driven by higher energy prices, while September's final manufacturing PMI stood at 58.6, little-changed from the preliminary estimate of 58.7. Meanwhile sovereign bonds remained above recent lows as the global risk-off mode enhanced their safe-haven appeal, and the USD retained a firm tone ahead of Friday's US September payrolls report.

Greece

The IHS Markit PMI manufacturing index posted 58.4 in Sep-21, from 59.3 in Aug-21 – when it had recorded the strongest improvement since Apr-00 – and 57.4 in Jul-21. The reading signals a steep amelioration in operating conditions in the manufacturing sector despite severe supply-chain disruptions, which put pressure on capacity. Demand remained solid and the rate of increase in new sales was among the fastest in the over 22 years of data collection. On reforms, the “Business development incentives” bill that has been tabled for public consultation until 1 Nov., foresees various tax incentives for mergers and acquisitions, including 30% income tax exemption for up to 3 years, tax exemption on income from goodwill on the transfer of fixed assets, exemption from capital tax and transfer of damages.

CESEE

SERBIA: The EUR/RSD continued to move sideways in the past week, remaining bound within its narrow range of 117.54-58. In the fixed income market, the sovereign yield curve changed slightly in comparison to the previous week, with the 4-year, 6-year and 11-year bonds' yields trading at 2.30%, 2.52% and 3.45%, respectively. The Public Debt Administration announced the T-bond auction schedule for Q4 2021, with the plan of collecting RSD25bn and €66mn to cover government financing needs. The next auction will take place on October 12th, with the reopening of the 5-year dinar denominated paper in the amount of RSD10 bn. Finally, President Vucic announced a one-off aid of RSD 22,000 (€170) for pensioners in 2022, an election year, up from a total of €130 in 2021.

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We would like to thank Djordje Lucic from Eurobank Beograd for his valuable contribution in today's issue

GLOBAL MARKETS

Stock markets

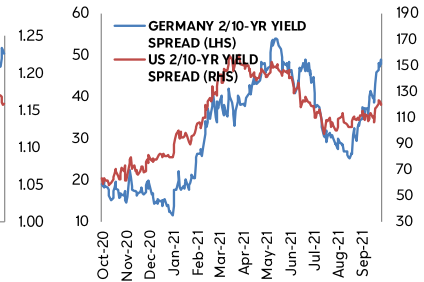
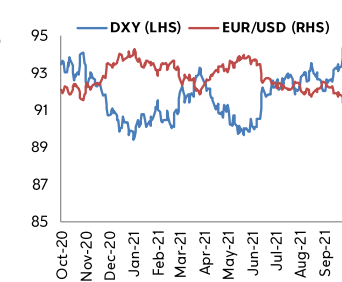
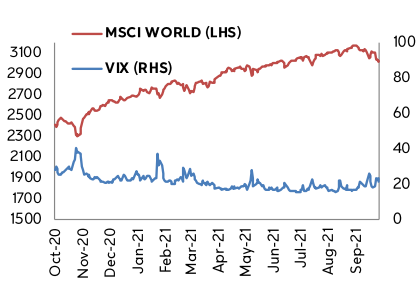
	Last	ΔD	ΔYTD
S&P 500	4357.04	1.15%	16.0%
Nikkei 225	28444.89	-1.1%	3.6%
STOXX 600	450.81	-0.5%	13.0%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1603	0.1%	-5.0%
GBP/USD	1.3555	0.1%	-0.8%
USD/JPY	111.09	0.0%	-7.1%

Government Bonds

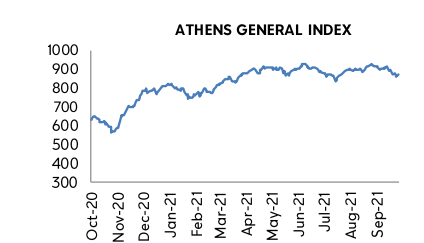
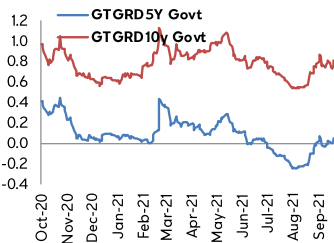
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.47	-1	56
Bund-10yr	-0.23	0	34
JGB - 10yr	0.05	-1	3



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.05	1	-3
10Y Bond	0.84	0	22
Δ(10YBund-10YGGB)	1.06	0	-15



EMERGING MARKETS

Stock markets

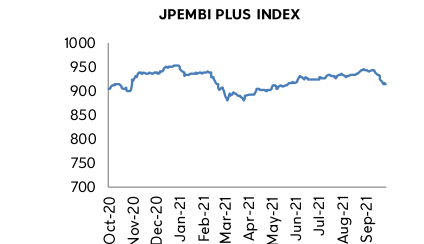
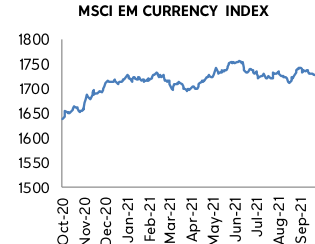
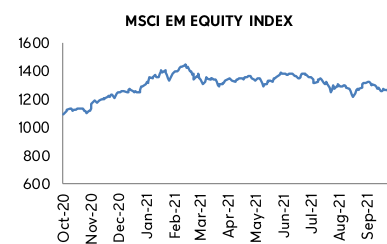
	Last	ΔD	ΔYTD
SOFIX	581.79	0.0%	30.0%
BELEX	801.40	-0.2%	705.2%
XU100	1405.08	0.3%	-485.1%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.5722	0.2%	-0.3%
EUR/RSD	117.555	0.0%	0.1%
USD/TRY	8.8692	-0.1%	-16.1%

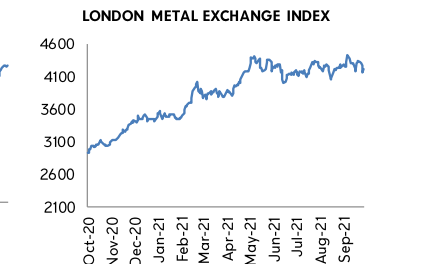
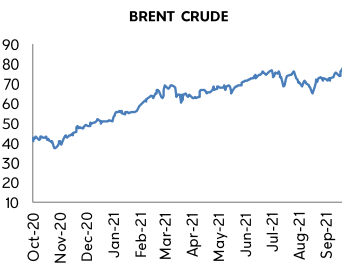
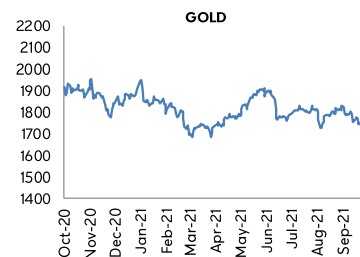
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.76	-6	136
BG 5Y yield	#N/A	N/A	
PL 10Y yield	2.20		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1757	-0.2%	-7.5%
BRENT CRUDE	79	-0.5%	52.3%
LMEX	4209	1.2%	23.3%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 04.10.2021 10:18 EST

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