



# DAILY OVERVIEW

## OF GLOBAL MARKETS & THE SEE REGION

Tuesday, December 06, 2016

### KEY UPCOMING DATA & EVENTS THIS WEEK

#### GLOBAL

##### US

- Dec 5: ISM non-manuf (Nov)
- Dec 6
  - Durable goods (Oct, f)
  - Factory orders (Oct)
  - Trade balance (Oct)
- Dec 8: Jobless claims (weekly)
- Dec 9: UoM consumer sentiment (Dec, p)

##### EUROZONE

- Dec 5: PMI services (Nov, f)
- Dec 6
  - GDP (Q3, f)
  - DE: industrial orders (Oct)
- Dec 8: ECB policy meeting

##### GREECE

- Dec 5: Eurogroup
- Dec 8
  - Labour force survey (Sep)
  - Commercial transactions (Oct, p)
- Dec 9
  - HICP (Nov)
  - Industrial production (Oct)

##### CYPRUS

- Dec 6: HICP (Nov)
- Dec 9: GDP (Q3, f)

##### SEE

##### BULGARIA

- Dec 6: GDP (Q3, f)
- Dec 8
  - Retail sales (Oct)
  - Industrial production (Oct)

##### ROMANIA

- Dec 5
  - Retail sales (Oct)
  - 3.5% 2022 T-Bonds auction
- Dec 6: GDP (Q3, p)
- Dec 8: 2.25% 2020 T-Bonds auction
- Dec 9: Net wages (Oct)

##### SERBIA

- Dec 6
  - EUR 1% 2018 T-Bonds auction
  - EUR 2% 2019 T-Bonds auction
- Dec 8: MPC meeting

Source: Reuters, Bloomberg,  
Eurobank Research

## HIGHLIGHTS

### WORLD ECONOMIC & MARKET DEVELOPMENTS

**GREECE:** No staff level agreement was reached in yesterday's Eurogroup, further negotiations will commence in the following days on the mechanism and measures that will ensure the achievement of the 3.5% of GDP primary surplus target for 2018 and beyond. The immediate implementation of the short term debt relief measures decided yesterday constitutes a positive step for Greece.

### SOUTH EASTERN EUROPE

**ROMANIA:** The finance ministry sold on Monday a planned amount of RON 300mn of 2022 T-bonds at an average accepted yield of 3.15%, 39bps above a yield achieved at a prior auction of the same paper held in November.

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## Latest world economic & market developments

### GREECE

In the Eurogroup yesterday an agreement was reached regarding the immediate implementation of the short term debt relief measures. These aim to a cumulative reduction of around 20pps of GDP in public debt until 2060 according to Klaus Regling, the Managing Director of the ESM. In more detail, the short term debt relief measures include:

1. The smoothing of the EFSF repayment profile within the current weighted average maturity of up to 32.5 years;
2. The waiver of the step-up interest rate margin amounting to 200 bps related to the debt buy-back tranche of the 2nd Greek programme for the year 2017;
3. The use of the EFSF/ESM funding strategy as markets allow to reduce interest rate risk without incurring any additional costs for former programme countries. This measure will be implemented through: (i) exchanging the EFSF/ESM back-to-back notes supporting the bank recapitalization loans to Greece, (ii) the ESM entering into interest rate swaps to mitigate the risk of higher market rates and (iii) introducing matched funding for future disbursements to Greece under the current programme.

Despite the acknowledgement of the progress made on the implementation of the required structural reforms and the attainability of the 2017 Budget no staff level agreement was reached on the conclusion of the 2nd review of the 3rd Economic Adjustment Programme for Greece. Negotiations will commence again in the following days with the view of reaching a staff level agreement in the following weeks conditional on:

4. The agreement among the Greek authorities and the Institutions over the mechanism and the structural reforms that will ensure the achievement of the 3.5% of GDP primary surplus target for 2018 and the attainability of a 3.5% of GDP primary surplus target in the medium term.
5. The implementation of reforms aiming to enhance growth and cost competitiveness, including the still pending labor market reform as well as the further opening up of closed professions and the removal of barriers for investment.
6. The appointment of the members of the Board of Directors of the Hellenic Corporation of Assets and Participations before the end of January 2017 in order to make the fund fully operational.

Conditional on the achievement of the staff level agreement, the IMF staff reconfirmed its intention to recommend to the Fund's Executive Board a new financing arrangement for Greece i.e. to fully participate in the 3rd Economic Adjustment Programme for Greece.

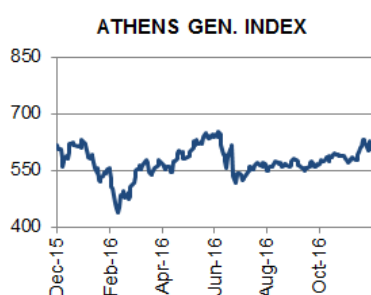
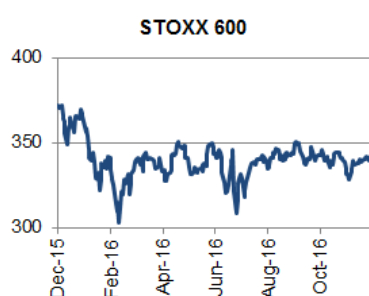
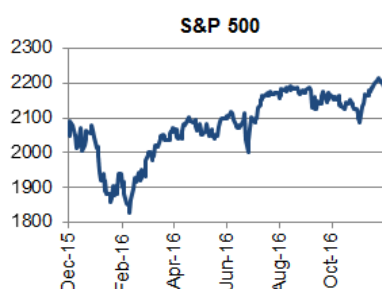
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## Latest economic & market developments in the CESEE region

### ROMANIA

The finance ministry sold on Monday a planned amount of RON 300mn of 2022 T-bonds at an average accepted yield of 3.15%, 39bps above a yield achieved at a prior auction of the same paper held in November. The tender's bid-to-cover ratio came in at 1.78 and the issue bears a coupon of 3.5%.

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Source: Reuters, Bloomberg, Eurobank Research

December 6, 2016

**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	2204.71	0.6%	7.9%	EUR/USD	1.0772	0.1%	-0.8%	UST - 10yr	2.38	-2	11	GOLD	1172	0.2%	10.4%
Nikkei 225	18360.54	0.5%	-3.5%	GBP/USD	1.2759	0.2%	-13.4%	Bund-10yr	0.34	0	-29	BRENT CRUDE	55	-0.5%	46.6%
STOXX 600	341.79	0.2%	-6.6%	USD/JPY	113.88	0.0%	5.4%	JGB - 10yr	0.05	1	-22	LMEX	2842	2.6%	29.0%

**CESEE MARKETS**

**SERBIA**

**Money Market**

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	298	3	-5
1-week	3.11	2	-8
1-month	3.29	1	-22
3-month	3.41	-4	-42
6-month	3.60	-4	-43

**RS Local Bonds**

	Last	ΔDbps	ΔYTD bps
3Y RSD	5.07	0	-35
5Y RSD	5.68	0	-143
7Y RSD	5.73	0	-5

**RS Eurobonds**

	Last	ΔDbps	ΔYTD bps
USD Nov-17	2.48	-3	-68
USD Nov-24	6.47	2	6

**CDS**

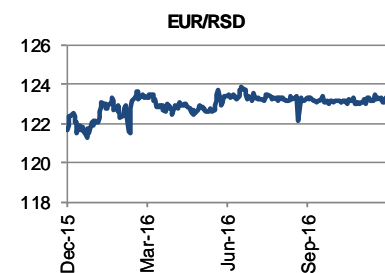
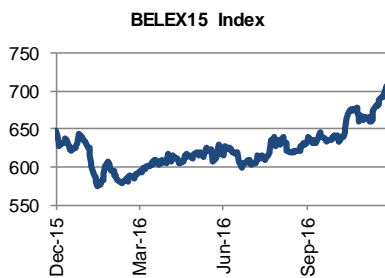
	Last	ΔDbps	ΔYTD bps
5-year	208	0	-67
10-year	255	1	-84

**STOCKS**

	Last	ΔD	ΔYTD
BELEX15	708.3	0.45%	9.96%

**FOREX**

	Last	ΔD	ΔYTD
EUR/RSD	123.23	0.04%	-1.34%



**ROMANIA**

**Money Market**

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	0.5	-2	-3
1-month	0.64	-1	-5
3-month	0.81	1	-21
6-month	1.05	0	-29
12-month	1.17	0	-35

**RO Local Bonds**

	Last	ΔDbps	ΔYTD bps
3Y RON	1.55	4	-38
5Y RON	2.41	0	-39
10Y RON	3.50	0	-28

**RO Eurobonds**

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	2.32	-2	-25
USD Jan-24	3.92	-2	14

**CDS**

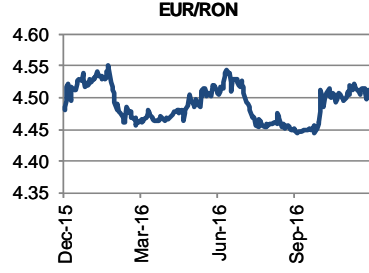
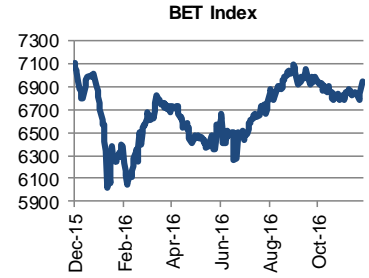
	Last	ΔDbps	ΔYTD bps
5-year	113	0	-20
10-year	158	-1	-14

**STOCKS**

	Last	ΔD	ΔYTD
BET	6903.1	-0.18%	-1.45%

**FOREX**

	Last	ΔD	ΔYTD
EUR/RON	4.5003	0.01%	0.30%



**BULGARIA**

**Money Market**

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	-0.13	0	-14
1-month	-0.16	0	-32
3-month	-0.07	0	-33
6-month	0.08	0	-45
12-month	0.40	0	-57

**BG Local Bonds**

(yields)	Last	ΔDbps	ΔYTD bps
3Y BGN	0.23	0	-38
5Y BGN	0.61	-4	-67
10Y BGN	2.01	0	-65

**BG Eurobonds**

	Last	ΔDbps	ΔYTD bps
EUR Jul-17	-0.11	3	-18
EUR Sep-24	1.91	7	-51

**CDS**

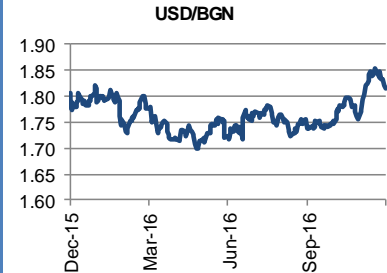
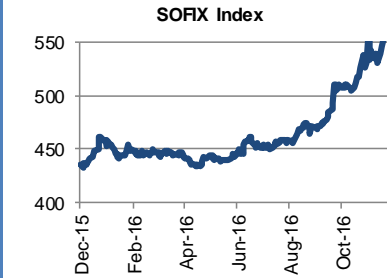
	Last	ΔDbps	ΔYTD bps
5-year	155	4	-16
10-year	188	0	-28

**STOCKS**

	Last	ΔD	ΔYTD
SOFIX	564.0	0.46%	22.36%

**FOREX**

	Last	ΔD	ΔYTD
USD/BGN	1.8156	0.08%	-0.84%



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

Data updated as of 11:25 EET

December 6, 2016

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