



DAILY OVERVIEW

OF GLOBAL MARKETS & THE SEE REGION

Friday, November 10, 2017

KEY UPCOMING DATA & EVENTS THIS WEEK

GLOBAL US

- Nov 9: Jobless claims (weekly)
- Nov 10: UoM consumer sentiment (Nov)

EUROZONE

- Nov 6: PMI services (Oct, final)
- Nov 6-7: Eurogroup/Ecofin meetings
- Nov 9: EC Autumn Forecasts

GREECE

- Nov 9
 - HICP/CPI (Oct)
 - Industrial production (Sep)
 - U/E rate (Aug)

SEE BULGARIA

- Nov 8
 - Industrial output (Sep)
 - Retail sales (Sep)
- Nov 9: Trade balance (Sep)

ROMANIA

- Nov 6
 - Retail sales (Sep)
 - 3.25% 2024 T-bonds auction
- Nov 7
 - MPC meeting
 - Net wages (Sep)
- Nov 9
 - Trade balance (Sep)
 - 2.50% 2019 T-bonds auction
- Nov 10
 - Industrial sales (Sep)
 - CPI (Oct)

SERBIA

- Nov 6: 2020 T-bonds auction
- Nov 9: MPC meeting
- Nov 10: Moody's credit rating review

Source: Reuters, Bloomberg,
Eurobank Research

HIGHLIGHTS

WORLD ECONOMIC & MARKET DEVELOPMENTS

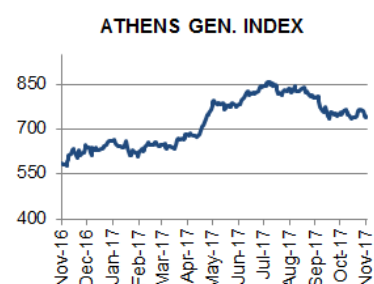
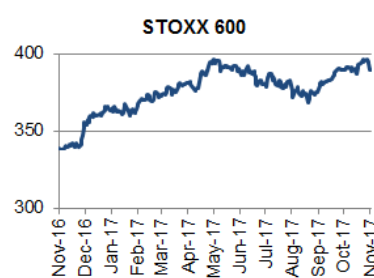
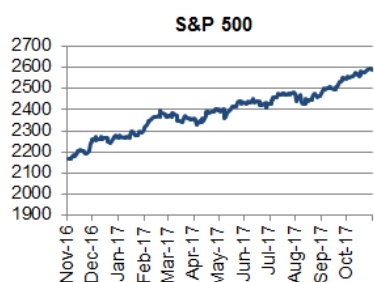
GLOBAL MARKETS: Taking their cue from Wall Street's modest losses overnight, major European bourses opened lower on Friday on the back of increased worries over the prospects of the US tax reform bill. US Senate Republicans unveiled their own tax draft bill late on Thursday that differed in several key areas from that released by the House of Representatives last week. Tax-related concerns took their toll on the USD. Turning to bond markets, USTs were weaker earlier today as concerns about the US tax reform bill were more than offset by bond supply jitters. European bonds were also weaker, in reaction to the European Commission's upwards revised euro area GDP growth forecasts.

GREECE: With regard to electronic auctions, the Minister of Justice Stavros Kontonis met with representatives of notaries, who have decided to abstain from their duties until 31 December due to incidents of violence against them, and reportedly decided the ex officio prosecution of such offenses as well as increased security measures in Courts. In its autumn forecasts the European Commission has revised downwards its 2017 forecast for real GDP growth in Greece from 2.1% in the spring forecasts to 1.6% mainly due to weaker-than-expected private consumption in H1 2017. Nevertheless, in H2 2017, private consumption and investment are expected to be robust on the back of improved business and consumer sentiment and an improving labour market. According to the Hellenic Statistical Authority, in August 2017 unemployment contracted further to 20.6% from 20.9% in July, while employment increased by 2.8%.

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November 10, 2017



Source: Reuters, Bloomberg, Eurobank Research

Latest world economic & market developments

GLOBAL MARKETS

Taking their cue from Wall Street's modest losses overnight, major European bourses opened lower on Friday on the back of increased worries over the prospects of the US tax reform bill. US Senate Republicans unveiled their own tax draft bill late on Thursday that differed in several key areas from that released by the House of Representatives last week. Tax-related concerns took their toll on the USD with the DXY index standing in European trade not too far from Thursday's 94.444 two-week closing low and 0.4% lower on a weekly basis. Turning to bond markets, USTs were weaker earlier today as concerns about the US tax reform bill were more than offset by bond supply jitters. After closing at 2.33% on Thursday, the 10-yr yield bounced to levels slightly above 2.38% in European trade, c. 8bps higher from a three-week intraday low hit earlier this week. With the 2-yr note yielding levels around 1.65% at the time of writing, within sight from Thursday's 1.66% multi-year closing high, the 2/10-yr yield curve undertook some bearish steepening with the respective spread narrowing by 5bps from this week's decade lows. In a similar vein, European government bonds were also weaker, in reaction to the European Commission's upwards revised euro area GDP growth forecasts. According to the autumn 2017 economic forecasts released on Thursday, the European Commission now projects GDP growth at 2.2% for 2017, the fastest pace in a decade and 2.1% for 2018 compared to respective figures of 1.7% and 1.8% previously projected. EMU periphery bonds also fared poorly with their yield premiums vs. their German peers moving higher. Looking at today's calendar, France, Italy and the UK are due to publish September industrial production data while in the US, the University of Michigan's consumer survey is the only report of note.

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GREECE

The institutions are insisting on the importance of electronic auctions and put their launch on November 29 as a prerequisite for the conclusion of the 3rd programme review. In this context, the Minister of Justice Stavros Kontonis met with representatives of notaries, who have decided to abstain from their duties until 31 December due to incidents of violence against them, and reportedly decided the ex officio prosecution of such offenses as well as increased security measures in Courts. Meanwhile, a recent statement by the Minister of Finance Euclid Tsakalotos about not performing auctions for houses worth less than EUR300.000 reportedly caused the reaction of both the IMF and the ECB that claimed that such a decision would have to be incorporated in the upcoming stress tests for Greek banks. Nevertheless, according to press, the Governor of the Bank of Greece Yiannis Stournaras and the Chairman of the Hellenic Banks Association Nikolaos Karamouzis, gave assurances that these houses will only be protected during the first rounds of auctions, i.e. until the end of the year and that as of 1 January 2018, any property may be auctioned independently of its value. In other news, in its autumn forecasts the European Commission has revised downwards its 2017 forecast for real GDP growth in Greece from 2.1% in the spring forecasts to 1.6% mainly due to weaker-than-expected private consumption in H1 2017. Nevertheless, in H2 2017, private consumption and investment are expected to be robust on the back of improved business and consumer sentiment and an improving labour market. The favourable external environment in 2018 is expected to boost exports and contribute to growth in 2017 and 2018. For both 2018 and 2019, the European Commission forecasts real GDP growth of 2.5%. According to the Hellenic Statistical Authority, in August 2017 unemployment contracted further to 20.6% from 20.9% in July, while employment increased by 2.8%.

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November 10, 2017

GLOBAL MARKETS

Stock markets	FOREX	Government Bonds	Commodities																																																																
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CESEE MARKETS

SERBIA

Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	2.51	1	-49
1-week	2.61	0	-56
1-month	2.83	1	-52
3-month	3.07	0	-40
6-month	3.30	5	-36

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	4.11	0	-97
5Y RSD	4.50	0	-85
7Y RSD	4.88	0	-75

RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Nov-17	-2.95	-22	-527
USD Nov-24	6.34	4	-7

CDS

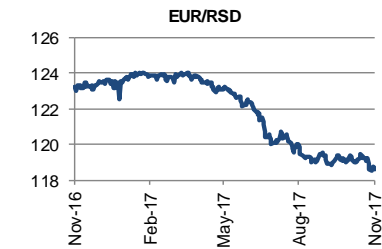
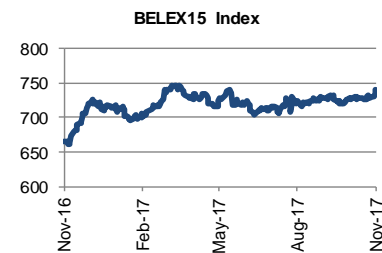
	Last	ΔDbps	ΔYTD bps
5-year	135	1	-73
10-year	184	1	-72

STOCKS

	Last	ΔD	ΔYTD
BELEX15	739.5	0.62%	3.09%

FOREX

	Last	ΔD	ΔYTD
EUR/RSD	118.60	0.11%	4.09%



ROMANIA

Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	1.3	2	74
1-month	1.78	0	102
3-month	1.87	0	97
6-month	2.03	0	92
12-month	2.13	0	88

RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	2.75	0	123
5Y RON	3.26	0	85
10Y RON	4.35	0	88

RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	1.67	#N/A	N/A
USD Jan-24	3.11	3	-78

CDS

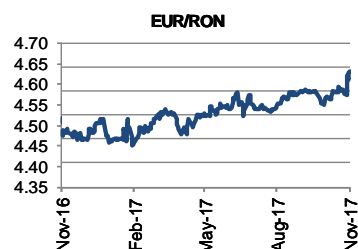
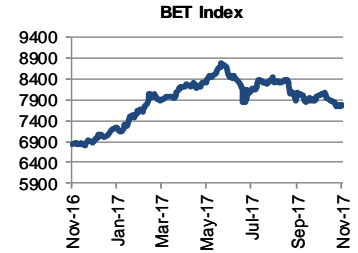
	Last	ΔDbps	ΔYTD bps
5-year	98	-1	-12
10-year	143	-2	-9

STOCKS

	Last	ΔD	ΔYTD
BET	7773.7	0.34%	9.72%

FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.6407	-0.01%	-2.19%



BULGARIA

Money Market

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	0.01	0	1
1-month	-0.23	0	-7
3-month	-0.14	0	-7
6-month	-0.05	0	-12
12-month	0.33	0	-8

BG Local Bonds

(yields)	Last	ΔDbps	ΔYTD bps
3Y BGN	-0.26	3	-42
5Y BGN	-0.05	-1	-55
10Y BGN	0.95	0	-95

BG Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Mar-22	0.05	0	-82
EUR Sep-24	0.70	0	-98

CDS

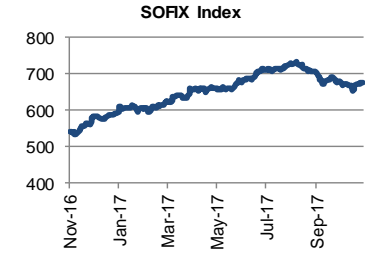
	Last	ΔDbps	ΔYTD bps
5-year	100	-1	-52
10-year	156	-1	-38

STOCKS

	Last	ΔD	ΔYTD
SOFIX	669.9	-0.27%	14.24%

FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.682	-0.11%	10.49%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 11:00 EST

November 10, 2017

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