



DAILY OVERVIEW

OF GLOBAL MARKETS & THE SEE REGION

Thursday, March 23, 2017

KEY UPCOMING DATA & EVENTS THIS WEEK

GLOBAL US

- Mar 22: Existing home sales (Feb)
- Mar 23
 - Initial jobless claims (weekly)
 - New home sales (Feb)
- Mar 24: Durable goods orders

EUROZONE

- Mar 20: Labour costs (Q4 2016)
- Mar 23
 - Consumer confidence (Mar)
 - Results of T-LTRO II
- Mar 24: PMI manufacturing & services (Mar)

UK

- Mar 21: CPI (Feb)
- Mar 23: Retail sales (Feb)

GREECE

- Mar 20: Eurogroup
- Mar 22: Turnover index in Industry (Jan.)

SEE

BULGARIA

- Mar 21: Current account balance (Jan)

CYPRUS

- Mar 24: Sovereign credit rating review by Moody's

ROMANIA

- Mar 23: Money Supply (Feb)

SERBIA

- Mar 21: 3.50% 2018 T-Bonds sale
- Mar 22: 2% 2020 T-Bonds sale

Source: Reuters, Bloomberg,
Eurobank Research

HIGHLIGHTS

WORLD ECONOMIC & MARKET DEVELOPMENTS

GREECE: According to data released yesterday by the Bank of Greece, in January 2017, the current account showed a deficit of €271mn, down by €500 mn yoy. This development is attributable to an improvement in the primary and the secondary income account. By contrast, the balance of goods and services deteriorated, as an increase in the deficit of the balance of goods was offset by a rise in the surplus of the services balance. According to data published yesterday by the Hellenic Statistical Authority, the overall turnover index in industry in January 2017 recorded an increase of 26.9% yoy.

SOUTH EASTERN EUROPE

CESEE MARKETS: Emerging market assets were mixed earlier on Thursday amid skepticism over whether US President Trump's administration will be able to push through its pro-growth plans.

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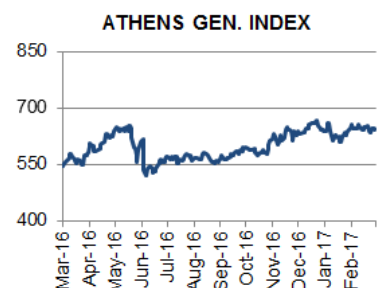
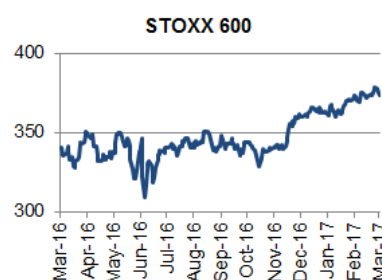
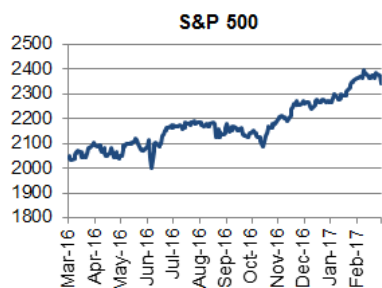
March 23, 2017

Latest world economic & market developments

GREECE

According to data released yesterday by the Bank of Greece, in January 2017, the current account showed a deficit of €271mn, down by €500mn yoy. This development is attributable to an improvement in the primary and the secondary income account. By contrast, the balance of goods and services deteriorated, as an increase in the deficit of the balance of goods offset a rise in the surplus of the services balance. More specifically, total exports of goods and services rose by €706mn, but at the same time imports grew by €933mn. The deficit of the balance of goods increased on an annual basis by €322mn, primarily due to a rise in the deficit of the balance of goods excluding oil and ships by 203mn and, secondarily, due to the higher net oil import bill which rose by €427mn. It should be noted that the increase in both exports and imports in January 2017 was mainly driven by developments in the oil balance. The large increase in the value of oil exports and imports is mainly due to a rise in international oil prices. The surplus of the services balance expanded by €95mn on an annual basis, mainly as a result of higher net (mostly sea) transport receipts, while net travel receipts declined. According to data published yesterday by the Hellenic Statistical Authority, the overall turnover index in industry in January 2017 recorded an increase of 26.9% yoy. In January 2016 the corresponding rate of change was -14.2%. On a monthly basis the overall turnover index in industry in January 2017 fell by 19.8%. For the 12-month period February 2016 - January 2017, the overall turnover index in industry dropped by 2.5% compared with the period February 2015 - January 2016.

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Source: Reuters, Bloomberg, Eurobank Research

Latest economic & market developments in the CESEE region

CESEE MARKETS

Emerging market assets were mixed earlier on Thursday amid skepticism over whether US President Trump's administration will be able to push through its pro-growth plans. Along these lines bourses in the CESEE space treaded water, while regional currencies were mixed against a slightly firmer US dollar and government bonds mostly rose. In FX markets, the Polish zloty rebounded after coming under pressure over the last couple of sessions, largely shrugging off renewed tensions between Poland and the EU. Earlier on Thursday, Prime Minister Beata Szydlo warned that Poland may not sign the Rome declaration, an EU roadmap in the aftermath of Brexit, if the document does not include issues that are considered priorities for Poland. Media reports quoted the Prime Minister as saying that "the unity of the European Union, defense of a tight NATO cooperation, strengthening the role of national governments and the rules of the common market which cannot divide but unite - these are the four priorities which have to be included in the declaration." Despite the aforementioned developments, the EUR/PLN slid to a multi-session low of 4.2690 in European trade, sliding further below yesterday's 2-day peak of 4.2877 hit intraday. In other news, the Serbian finance ministry raised on Wednesday EUR 36.61bn of 3-year T-bonds, accepting all bids. The amount sold was slightly less than that initially planned (EUR 50bn). The accepted yield came in at 1.89% yesterday and the bonds were sold at a price of 100.318. The issue matures on March 24, 2020 and carries an annual coupon of 2%.

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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	2340.31	-0.2%	4.5%	EUR/USD	1.0811	0.0%	2.8%	UST - 10yr	2.39	-3	-6	GOLD	1249	0.3%	8.4%
Nikkei 225	19041.38	-2.1%	-0.4%	GBP/USD	1.2456	-0.2%	0.8%	Bund-10yr	0.41	-5	20	BRENT CRUDE	50	-1.3%	-11.5%
STOXX 600	373.02	-0.7%	3.2%	USD/JPY	110.93	0.7%	5.5%	JGB - 10yr	0.06	-1	2	LMEX	2838	-1.0%	6.7%

CESEE MARKETS

SERBIA

Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	299	0	-1
1-week	3.16	0	-1
1-month	3.34	-1	-1
3-month	3.53	0	6
6-month	3.71	-1	5

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	5.03	0	-5
5Y RSD	5.43	0	7
7Y RSD	5.71	0	8

RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Nov-17	1.93	3	-39
USD Nov-24	6.51	1	10

CDS

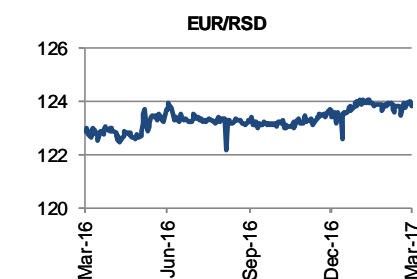
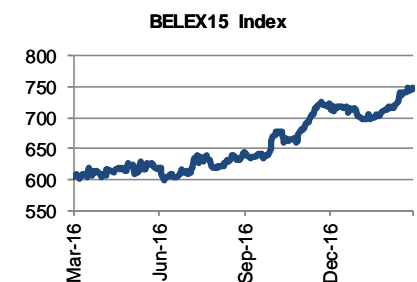
	Last	ΔDbps	ΔYTD bps
5-year	204	1	-3
10-year	247	1	-8

STOCKS

	Last	ΔD	ΔYTD
BELEX15	745.9	-0.19%	3.97%

FOREX

	Last	ΔD	ΔYTD
EUR/RSD	123.98	-0.06%	-0.42%



ROMANIA

Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	0.4	0	-16
1-month	0.59	0	-17
3-month	0.84	0	-6
6-month	1.08	0	-3
12-month	1.26	0	1

RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	1.67	-1	5
5Y RON	2.64	-2	12
10Y RON	3.70	-3	5

RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	2.01	0	-12
USD Jan-24	3.45	-5	-41

CDS

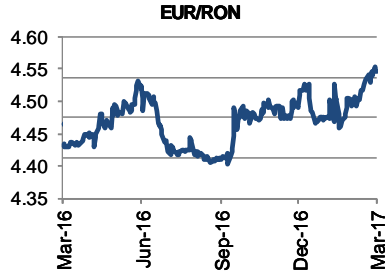
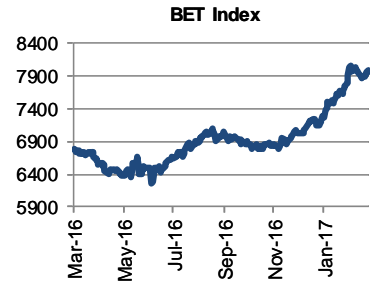
	Last	ΔDbps	ΔYTD bps
5-year	94	-4	-16
10-year	141	-5	-11

STOCKS

	Last	ΔD	ΔYTD
BET	7972.7	-0.03%	12.53%

FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.5574	0.02%	-0.40%



BULGARIA

Money Market

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	-0.35	5	-35
1-month	-0.17	0	0
3-month	-0.08	0	-1
6-month	0.04	0	-4
12-month	0.40	0	-1

BG Local Bonds

(yields)	Last	ΔDbps	ΔYTD bps
3Y BGN	0.05	-1	-10
5Y BGN	0.41	-1	-9
10Y BGN	1.74	0	-17

BG Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Jul-17	-0.34	0	-2
EUR Sep-24	1.54	-18	-15

CDS

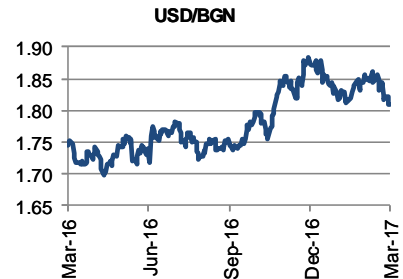
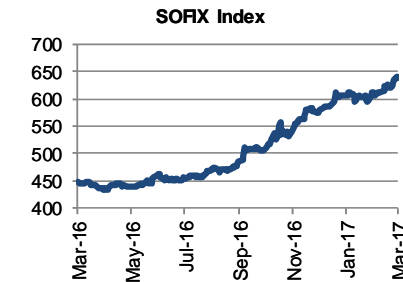
	Last	ΔDbps	ΔYTD bps
5-year	115	1	-37
10-year	155	1	-39

STOCKS

	Last	ΔD	ΔYTD
SOFIX	636.9	-0.38%	8.61%

FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.8094	-0.01%	2.71%



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

Data updated as of 16:40 EET of previous session

March 23, 2017

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