

DAILY OVERVIEW

OF GLOBAL MARKETS & THE SEE REGION

Monday, August 28, 2017

KEY UPCOMING DATA & EVENTS THIS WEEK

GLOBAL

US

- Aug 29: CB Consumer confidence (Aug)
- Aug 30
 - ADP employment change (Aug)
 - GDP (Q2, 2nd)
- Aug 31
 - Jobless claims (weekly)
 - Personal Income/spending (Jul)
 - Core PCE deflator (Jul)
 - Chicago PMI (Aug)
 - Pending home sales (Jul)
- Sep 1
 - Non farm payrolls (Aug)
 - U/E rate (Aug)
 - ISM manufacturing (Aug)
 - UoM Consumer Confidence (Aug)
 - Auto sales (Aug)

EUROZONE

- Aug 29: DE: Gfk consumer confidence (Sep)
- Aug 30: Economic sentiment indicator (Aug)
- Sep 1: PMI manufacturing (Aug)

GREECE

- Aug 31: Retail sales (Jun)
- Sep 1
 - PMI manufacturing (Aug)
 - GDP (Q2, F)

SEE

BULGARIA

- Aug 29-Sep1: Budget Balance (Jul)

ROMANIA

- Aug 28: RON 500mn 1.35% 2019 T-bonds auction
- Aug 31: ILO U/E rate (Jul)
- Sep 1: International reserves (Aug)

SERBIA

- Aug 31
 - T-Bonds auction
 - Industrial production (Jul)
 - Trade balance (Jul)
 - Retail sales (Jul)
 - GDP (Q2, f)

Source: Reuters, Bloomberg, Eurobank Research

HIGHLIGHTS

WORLD ECONOMIC & MARKET DEVELOPMENTS

GREECE: According to local media, the heads of the institutions (EC/ECB/ESM/IMF) in Greece's 3rd Economic Adjustment Programme are expected to come to Athens in mid-September to discuss issues pertaining to the 3rd programme review which could potentially commence in mid-October, while it is reportedly the intention of the Greek government to have this review concluded at the 4th December Eurogroup. according to the Bank of Greece in June 2017 travel receipts by foreign visitors to Greece and inbound traveller flows increased on an annual basis 14.2% and 13.0% respectively against -8.4% and -2.0% respectively in the previous year. Year-to-June 2017, travel receipts and inbound traveller flows also recorded an increase of 7.1% and 6.6% respectively compared to the corresponding period of 2016.

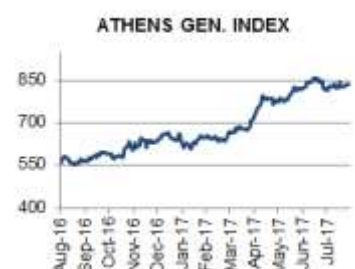
SOUTH EASTERN EUROPE

SERBIA: The EUR/RSD dipped to a fresh 3-year low of 119.05/25 on Friday, despite renewed Central Bank interventions in order to mitigate the dinar's upside momentum.

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Latest world economic & market developments



Source: Reuters, Bloomberg, Eurobank Research

GREECE

According to local media, the heads of the institutions (EC/ECB/ESM/IMF) in Greece's 3rd Economic Adjustment Programme are expected to come to Athens in mid-September to discuss issues pertaining to the 3rd programme review which could potentially commence in mid-October, while it is reportedly the intention of the Greek government to have this review concluded at the 4th December Eurogroup. Meanwhile, the 4th September Euroworking Group is expected to assess the progress that has been made in the pending prior actions that were to be fulfilled during the summer in the context of the June 15th Eurogroup agreement. In other news, according to the Bank of Greece in June 2017 travel receipts by foreign visitors to Greece and inbound traveller flows increased on an annual basis 14.2% and 13.0% respectively against -8.4% and -2.0% respectively in the previous year. Year-to-June 2017, travel receipts and inbound traveller flows also recorded an increase of 7.1% and 6.6% respectively compared to the corresponding period of 2016, while average non-resident expenditure per trip in Greece was at €497, up by 0.7% compared to January-June 2016.

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Latest economic & market developments in the CESEE region

SERBIA

The EUR/RSD dipped to a fresh 3-year low of 119.05/25 on Friday, despite renewed – albeit moderate – daily Central Bank (NBS) interventions in order to mitigate the dinar's upside momentum. In more detail, NBS bought € 50mn last week, bringing the total amount of euro purchases to € 225mn month-to-date and to €895mn year-to-date. Despite this year's Central Bank interventions, the dinar remains ca 3.4% stronger against the euro compared to its levels at the end of 2016.

Nonetheless, we expect appreciation pressures on the dinar to gradually wane around mid-September when growing hard currency demand will counterbalance the current market euro oversupply. The latter appears to be a mixture of decent credit expansion of EUR-indexed loans and new bond investors from abroad allured into Serbian debt on a back of very good growth performance in 2016 and an even brighter outlook for 2017.

Additionally, the recent appreciation of the dinar may deem Serbia's exports more expensive and raise concerns over its impact on the country's trade balance. The latter in tandem with adverse weather conditions, such as drought which may weigh on the agricultural sector, pose as potential downside risks on the achievement on this year's 3% official growth projection.

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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	2443.05	0.2%	9.1%	EUR/USD	1.1939	0.1%	13.5%	UST - 10yr	2.17	0	-28	GOLD	1298	0.5%	12.6%
Nikkei 225	19449.90	0.0%	1.8%	GBP/USD	1.2898	0.1%	4.4%	Bund-10yr	0.38	0	18	BRENT CRUDE	52	0.0%	-7.7%
STOXX 600	372.39	-0.4%	3.0%	USD/JPY	109.17	0.2%	7.2%	JGB - 10yr	0.01	-1	-4	LME X	3152	-1.0%	18.5%

CESEE MARKETS

SERBIA				ROMANIA				BULGARIA			
Money Market				Money Market				Money Market			
BELIBOR	Last	ΔDbps	ΔYTD bps	ROBOR	Last	ΔDbps	ΔYTD bps	SOFIBOR	Last	ΔDbps	ΔYTD bps
T/N	2.99	-1	-1	O/N	0.62	0	6	LEONIA	0.01	0	1
1-week	3.13	0	-4	1-month	0.69	-1	-7	1-month	-0.16	0	1
1-month	3.32	-1	-3	3-month	0.9	0	0	3-month	-0.08	1	-1
3-month	3.55	-1	8	6-month	1.09	0	-2	6-month	0.04	0	-4
6-month	3.76	-1	10	12-month	1.26	0	1	12-month	0.38	0	-3
RS Local Bonds				RO Local Bonds				BG Local Bonds			
	Last	ΔDbps	ΔYTD bps		Last	ΔDbps	ΔYTD bps	(yields)	Last	ΔDbps	ΔYTD bps
3Y RSD	4.84	0	-20	3Y RON	1.37	-2	-25	3Y BGN	-0.17	1	-33
5Y RSD	5.20	0	-16	5Y RON	2.28	-1	-24	5Y BGN	0.06	-1	-45
7Y RSD	5.58	#N/A	N/A	10Y RON	3.62	1	-3	10Y BGN	1.44	0	-47
RS Eurobonds				RO Eurobonds				BG Eurobonds			
	Last	ΔDbps	ΔYTD bps		Last	ΔDbps	ΔYTD bps		Last	ΔDbps	ΔYTD bps
USD Nov-17	1.25	-2	-108	EUR Oct-25	1.73	0	-41	EUR Mar-22	0.17	13	-70
USD Nov-24	6.24	-2	-17	USD Jan-24	2.98	0	-91	EUR Sep-24	0.97	49	-71
CDS				CDS				CDS			
	Last	ΔDbps	ΔYTD bps		Last	ΔDbps	ΔYTD bps		Last	ΔDbps	ΔYTD bps
5-year	134	-1	-74	5-year	96	0	-14	5-year	101	0	-51
10-year	187	0	-69	10-year	150	0	-2	10-year	149	0	-45
STOCKS				STOCKS				STOCKS			
	Last	ΔD	ΔYTD		Last	ΔD	ΔYTD		Last	ΔD	ΔYTD
BELEX15	725.5	0.19%	1.14%	BET	8342.6	-0.43%	17.75%	SOFIX	714.3	0.03%	21.80%
FOREX				FOREX				FOREX			
	Last	ΔD	ΔYTD		Last	ΔD	ΔYTD		Last	ΔD	ΔYTD
EUR/RSD	119.19	-0.08%	3.59%	EUR/RON	4.5993	-0.01%	-1.31%	USD/BGN	1.6383	0.13%	13.43%

BELEX15 Index		BET Index		SOFIX Index	
EUR/RSD		EUR/RON		USD/BGN	

Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 13:50 EEST

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