

### 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

**GLOBAL MARKETS:** The majority of global equity indices traded lower in early trade on Tuesday as risk appetite soured following news about a North Korea missile test. In FX markets, the US dollar remained under selling pressure, while increased global risk aversion enhanced the safe-haven appeal of the JPY and the CHF.

### SOUTH EASTERN EUROPE

**CESEE MARKETS:** Emerging market assets were under pressure earlier on Tuesday, amid renewed geopolitical tensions following new North Korean missile tests overnight. In a similar vein, regional currencies were mostly weaker.

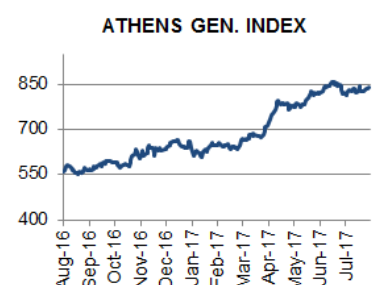
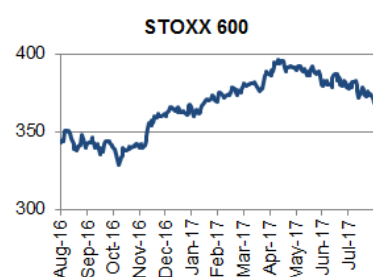
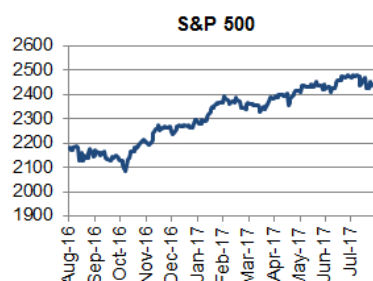
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## Latest world economic & market developments

### GLOBAL MARKETS

The majority of global equity indices traded lower in early trade on Tuesday as risk appetite soured following news about a North Korea missile test. In FX markets, the US dollar remained under selling pressure, with the DXY index and the EUR/USD having slid to 2 ½-year lows of 91.621 and 1.2070 respectively earlier on Tuesday, with the latter breaking above the key psychological level of 1.2000. Increased global risk aversion enhanced the safe-haven appeal of the JPY and the CHF, with each rising by ca 1% each compared to the prior session's settlement to a 4-month peak of 108.25 and a 2-year high of 0.9428, respectively, against the USD dollar.



Source: Reuters, Bloomberg, Eurobank Research

## Latest economic & market developments in the CESEE region

### CESEE MARKETS

Emerging market assets were under pressure earlier on Tuesday, amid renewed geopolitical tensions following new North Korean missile tests overnight. Against this backdrop, the MSCI Emerging Markets index slid by ca 0.5% in European trade compared to the prior session's settlement, though remaining just ca 1% off a 3-year peak hit late last week. In the CESEE space, the main BUX index in Hungary led the losses in the region sliding by 2.2% compared to the prior session's settlement. The index has retreated by more than 2% from yesterday's record peak reached in the wake of a revision in the country's credit rating outlook to positive from stable by S&P last week. The agency, which affirmed its long-term foreign currency rating on Hungary at BBB-, cited "further reductions in the banking sector's nonperforming loans and a sustainable recovery of bank lending could improve Hungary's monetary transmission," behind its decision to revise the country's outlook.

In a similar vein, regional currencies were mostly weaker. The Polish zloty broadly underperformed its regional peers following recent hefty gains. In more detail, the EUR/PLN rose by ca. 0.5% on the day to trade around 4.2655 earlier on Tuesday's session having pulled back from a 1-month low of 4.2472 hit on Monday. In the local debt markets, Romania's finance ministry sold on Monday a planned amount of RON 500mn (€108.8mn) of February 2019 T-Notes. The paper was sold at an average price of 100.1162, and the average accepted yield came in at 1.27%, 6bps higher compared to that achieved at a prior auction of the same paper held in July. The issue carries an annual coupon of 1.35% and matures on February 25, 2019. Meanwhile, reflecting healthy investor demand, the tender's bid to cover ratio came in at 2.48.

Today's CESEE calendar is relatively light, with data from Turkey, such as August's economic confidence indicator as well as trade balance for July, having been released earlier in the day. On the latter, the data showed as was broadly anticipated a widening of the deficit to \$8.84bn from \$6.04bn in June. Separately, the economic confidence index rose to a 5-year peak of 106.0 in August from 103.4 in the prior month. Meanwhile, Bulgaria's budget balance for July is due later on the day. Looking into the remainder of the week, the focus is mainly on Thursday when Q2 GDP data from Poland and Serbia, preliminary August CPI from Poland, government bond auctions in Serbia and Hungary and July's industrial output, trade balance and retail sales in Serbia are due. On Friday, PMI data for August lure market attention in the region. From a global perspective, key US labour market data are due on Thursday and Friday, while any further geopolitical developments are likely to remain in the forefront.

August 29, 2017

## 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	2444.24	0.0%	9.2%	EUR/USD	1.2021	0.4%	14.3%	UST - 10yr	2.11	-5	-33	GOLD	1320	0.9%	14.6%
Nikkei 225	19362.55	-0.4%	1.3%	GBP/USD	1.2951	0.1%	4.8%	Bund-10yr	0.34	-4	13	BRENT CRUDE	52	0.3%	-8.4%
STOXX 600	368.72	-1.0%	2.0%	USD/JPY	108.66	0.5%	7.7%	JGB - 10yr	0.01	0	-3	LMEX	3152	-1.0%	18.5%

## CESEE MARKETS

### SERBIA

#### Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	2.99	-1	-1
1-week	3.13	0	-4
1-month	3.32	-1	-3
3-month	3.55	-1	8
6-month	3.76	-1	10

#### RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	4.84	#N/A N/A	-20
5Y RSD	5.20	0	-16
7Y RSD	5.55	0	-13

#### RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Nov-17	1.19	-7	-114
USD Nov-24	6.25	0	-17

#### CDS

	Last	ΔDbps	ΔYTD bps
5-year	133	0	-74
10-year	186	0	-69

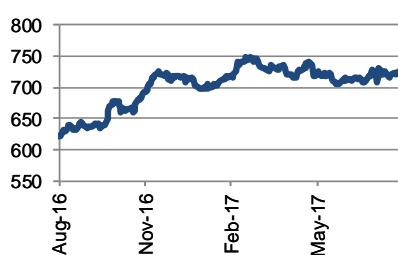
#### STOCKS

	Last	ΔD	ΔYTD
BELEX15	724.8	0.09%	1.03%

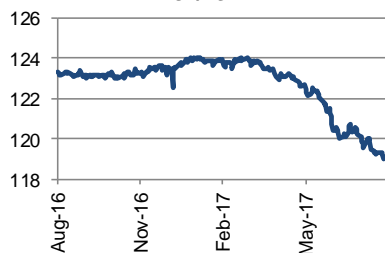
#### FOREX

	Last	ΔD	ΔYTD
EUR/RSD	119.11	0.03%	3.65%

BELEX15 Index



EUR/RSD



### ROMANIA

#### Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	0.62	0	6
1-month	0.69	0	-7
3-month	0.9	0	0
6-month	1.09	0	-2
12-month	1.26	0	1

#### RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	1.38	1	-24
5Y RON	2.28	0	-24
10Y RON	3.62	1	-3

#### RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	1.73	0	-41
USD Jan-24	2.99	#N/A N/A	-90

#### CDS

	Last	ΔDbps	ΔYTD bps
5-year	95	0	-14
10-year	150	0	-2

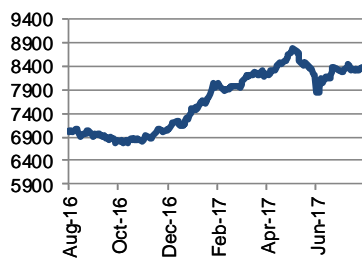
#### STOCKS

	Last	ΔD	ΔYTD
BET	8347.9	-0.18%	17.82%

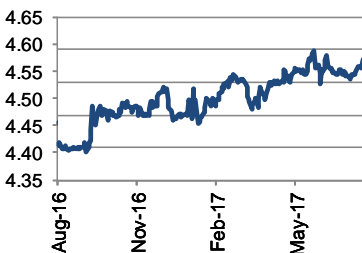
#### FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.5988	-0.03%	-1.30%

BET Index



EUR/RON



### BULGARIA

#### Money Market

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	0.01	0	1
1-month	-0.16	0	1
3-month	-0.08	1	-1
6-month	0.04	0	-4
12-month	0.38	0	-3

#### BG Local Bonds

(yields)	Last	ΔDbps	ΔYTD bps
3Y BGN	-0.18	0	-33
5Y BGN	0.04	0	-46
10Y BGN	1.40	0	-50

#### BG Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Mar-22	0.15	21	-72
EUR Sep-24	0.97	18	-71

#### CDS

	Last	ΔDbps	ΔYTD bps
5-year	101	0	-51
10-year	149	0	-45

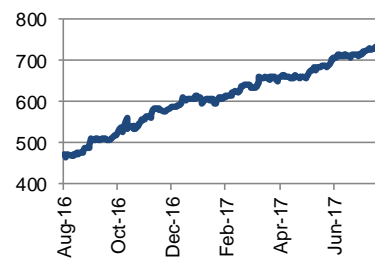
#### STOCKS

	Last	ΔD	ΔYTD
SOFIX	715.4	0.20%	21.99%

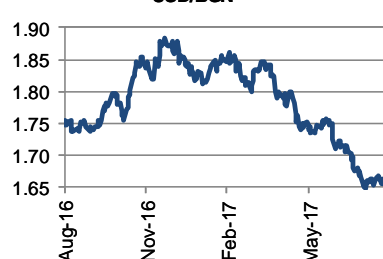
#### FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.6271	0.35%	14.22%

SOFIX Index



USD/BGN



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

Data updated as of 10:30 EEST

August 29, 2017

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