



DAILY OVERVIEW

OF GLOBAL MARKETS & THE SEE REGION

Wednesday, August 30, 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

GLOBAL MARKETS: The majority of global equity markets opened higher on Wednesday and the USD recovered some ground on the back of somewhat reduced geopolitical concerns about North Korea's firing earlier this week of a missile over Japan. Elsewhere US Treasury and German Bund yields were higher albeit still not far from Tuesday's multi-month lows as geopolitical tensions and US political jitters continue to play a key role in market sentiment. Looking at the remainder of the day, market focus is on the second reading of US Q2 GDP and the August's ADP employment report ahead of Friday's non-farm payrolls report. Today's macro diary also includes the flash August HICP readings from Germany and Spain.

GREECE: According to the Bank of Greece, in July 2017, the annual growth rate of credit extended to the private sector stood at -1.2% and the monthly net flow was negative at €435 million. The annual growth rate of private sector deposits increased to 4.3% while the monthly net flow was positive at €927 million. Six investment schemes have submitted expressions of interest for the acquisition of a 66% stake in the Hellenic Gas Transmission System Operator S.A. (DESFA) while on 4 September the Board of Directors of the Hellenic Republic Asset Development Fund (HRADF) is to decide on the candidates who qualify for the next phase of the tender.

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August 30, 2017

Latest world economic & market developments

GLOBAL MARKETS

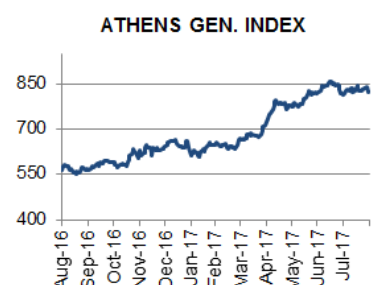
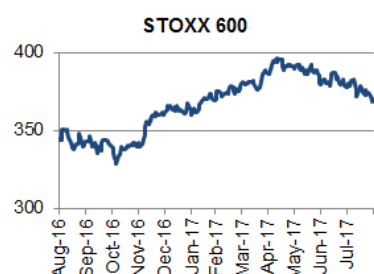
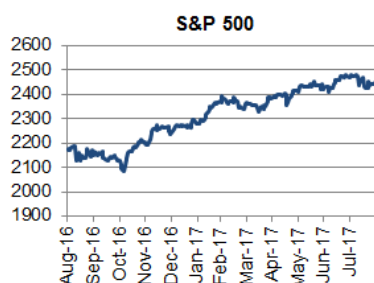
The majority of global equity markets opened higher on Wednesday and the USD recovered some ground on the back of somewhat reduced geopolitical concerns about North Korea's firing earlier this week of a missile over Japan. The DXY index rebounded c. 1% from Tuesday's 2 ½ year low of 91.621 while an improvement in US CB consumer confidence index to a five-month high of 122.9 in August mainly on the back of the ongoing improvement in labor market conditions, also had some positive impact. Against this background, the EUR/USD retreated to levels around 1.1945/50 in early European trade after testing levels close to 1.2100 on Tuesday for the first time since late January 2015. However, on the back of lingering US political jitters and improved euro area economic dynamics, there is little to suggest that the EUR/USD is poised for further significant losses in the coming sessions. That said, it seems likely that a period of consolidation is likely to prevail near-term with investors awaiting ECB President Mario Draghi's press conference following the conclusion of the September 7th monetary policy meeting for likely comments on rising inflation headwinds caused by the EUR's recent sharp strengthening. Elsewhere US Treasury and German Bund yields were higher albeit still not far from Tuesday's multi-month lows as geopolitical tensions and US political jitters continue to play a key role in market sentiment. Looking at the remainder of the day, market focus is on the second reading of US Q2 GDP and the August's ADP employment report ahead of Friday's non-farm payrolls report. Today's macro diary also includes the flash August HICP readings from Germany and Spain.

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GREECE

According to the Bank of Greece, in July 2017, the annual growth rate of credit extended to the private sector stood at -1.2% compared to -1.3% in the previous month and the monthly net flow was negative at €435 million, compared with a negative net flow of €203 million in the previous month. The annual growth rate of private sector deposits increased to 4.3% against 3.4% in the previous month while the monthly net flow was positive at €927 million, compared with a positive net flow of €1,090 million in June 2017. With regard to ongoing privatisations, six investment schemes have submitted expressions of interest for the acquisition of a 66% (currently 31% stake owned by HRADF and 35% stake owned by HELPE) stake in the Hellenic Gas Transmission System Operator S.A. (DESFA). According to local media, on 4 September the Board of Directors of the Hellenic Republic Asset Development Fund (HRADF) is to decide on the candidates who qualify for the next phase of the tender. According to government sources the whole process is expected to have been completed by the end of the year while the competent Minister George Stathakis has expressed confidence that the price will exceed €4.0bn.

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Source: Reuters, Bloomberg, Eurobank Research

August 30, 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	2446.30	0.1%	9.3%	EUR/USD	1.1945	-0.2%	13.5%	UST - 10yr	2.13	0	-31	GOLD	1311	0.1%	13.8%
Nikkei 225	19506.54	0.7%	2.1%	GBP/USD	1.2909	-0.1%	4.5%	Bund-10yr	0.35	1	14	BRENT CRUDE	51	-1.1%	-9.5%
STOXX 600	370.24	0.5%	2.4%	USD/JPY	109.89	-0.2%	6.5%	JGB - 10yr	0.01	0	-4	LMEX	3203	1.6%	20.4%

CESEE MARKETS

SERBIA

Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	3.00	0	0
1-week	3.12	0	-5
1-month	3.31	0	-4
3-month	3.53	0	6
6-month	3.75	0	9

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	4.84	0	-20
5Y RSD	5.19	-2	-16
7Y RSD	5.58	0	-5

RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Nov-17	1.38	-6	-95
USD Nov-24	6.27	2	-15

CDS

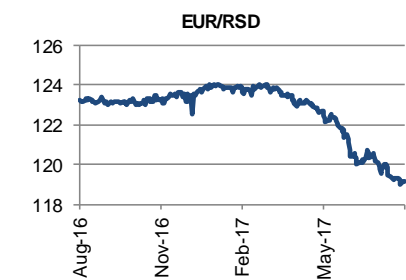
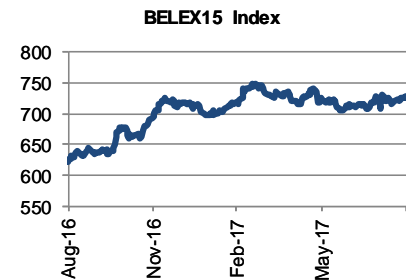
	Last	ΔDbps	ΔYTD bps
5-year	134	1	-74
10-year	187	0	-69

STOCKS

	Last	ΔD	ΔYTD
BELEX15	726.2	-0.31%	1.23%

FOREX

	Last	ΔD	ΔYTD
EUR/RSD	119.17	-0.04%	3.60%



ROMANIA

Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	0.61	-2	5
1-month	0.71	1	-5
3-month	0.91	1	1
6-month	1.1	1	-1
12-month	1.26	0	1

RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	1.37	-1	-25
5Y RON	2.28	0	-24
10Y RON	3.60	-1	-5

RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	1.70	#N/A	N/A
USD Jan-24	2.95	-1	-94

CDS

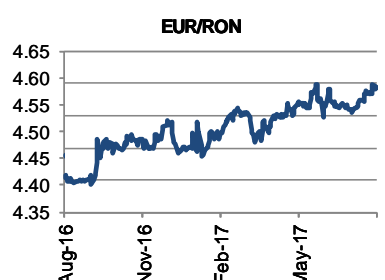
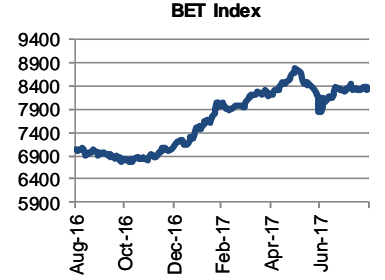
	Last	ΔDbps	ΔYTD bps
5-year	96	1	-13
10-year	150	0	-2

STOCKS

	Last	ΔD	ΔYTD
BET	8329.5	0.26%	17.56%

FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.5939	-0.06%	-1.20%



BULGARIA

Money Market

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	0.01	0	1
1-month	-0.16	0	1
3-month	-0.07	0	0
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	0.19	-21	-68
EUR Sep-24	0.99	-12	-69

CDS

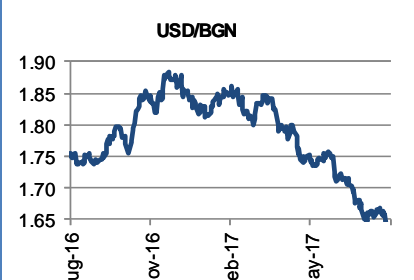
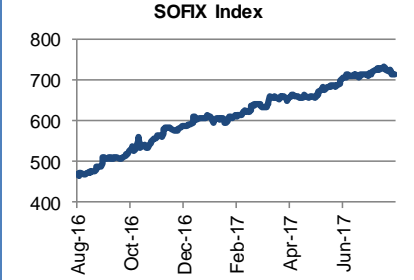
	Last	ΔDbps	ΔYTD bps
5-year	101	0	-51
10-year	149	0	-45

STOCKS

	Last	ΔD	ΔYTD
SOFIX	707.7	-0.48%	20.68%

FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.6375	-0.24%	13.49%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 12:10 EEST

August 30, 2017

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