



# DAILY OVERVIEW

## OF GLOBAL MARKETS & THE SEE REGION

Thursday, August 31, 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:** Data releases from both China and the US surprised positively prompting a renewed bout of risk appetite. With geopolitical tensions receding for the time being, the USD moved higher with the DXY index hitting multi-session highs earlier today. US Treasury and German Bund yields were modestly higher on a daily basis, remaining still close to recent multi-month lows, probably on the back of market woes that political and/or geopolitical risks may come again to the fore in the near term. Looking at today's calendar, focus is on inflation data from the Eurozone and the US.

**GREECE:** According to local press, the technical teams of the institutions are expected in Athens in mid-September to review the progress made in the implementation of the pending prior actions and prepare the 3rd programme review, which is expected to commence in mid to end October. According to Eurostat Business and Consumer Survey Results, the Economic Sentiment Indicator in Greece rose in August 2017 to 99.0, the highest level since February 2015 (99.1) due to improved confidence in services and among consumers.

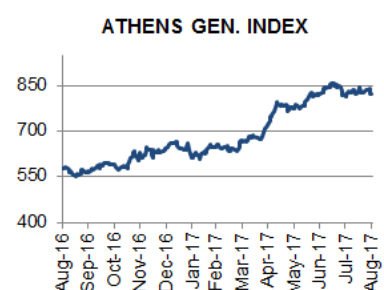
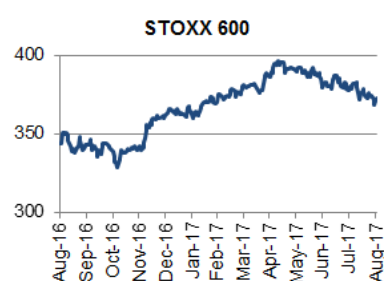
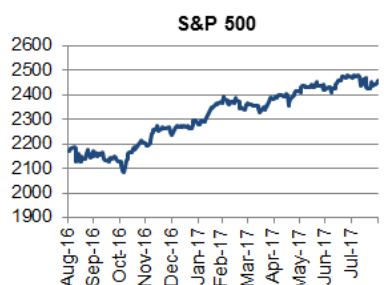
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August 31, 2017

## Latest world economic & market developments

### GLOBAL MARKETS



Source: Reuters, Bloomberg, Eurobank Research

Data releases from both China and the US surprised positively prompting a renewed bout of risk appetite. Growth in China's manufacturing sector unexpectedly accelerated in August with the official PMI rising to 57.1 up from 51.4 in the prior month confounding expectations for a modest drop to 51.4. Separately, US Q2 GDP was revised up to 3.0%QoQ annualized from an initial estimate of 2.6% and higher than 2.7% expected following a growth rate of 1.2% in the prior quarter. The upward revision was largely due to stronger than initially estimated personal consumption and business spending with the US economy growing at a pace of 2.1% in the first half of this year. Adding to yesterday's positive US data releases, the private sector generated 237k new jobs in August, the biggest monthly increase in five months following July's upwards revised 201k, boding well for Friday's US non-farm payrolls report. With geopolitical tensions receding for the time being, the USD moved higher with the DXY index hitting a multi-session high of 92.945 earlier today, 0.1% up on a daily basis and c. 1.4% higher from Tuesday's 2 ½ year low. The USD/JPY bounced to a two-week peak of 110.60, up from Tuesday's 4 ½ month low of 108.25 while the EUR/USD related to levels slightly below 1.1900 after marking a 2½ year high of 1.2070 earlier this week. Besides positive US data releases, market concerns over verbal intervention from ECB President against the EUR's recent fast and hefty strengthening at next week's monetary policy meeting, also had an impact. Elsewhere, US Treasury and German Bund yields were modestly higher on a daily basis, remaining close to recent multi-month lows, probably on the back of market woes that political and/or geopolitical risks may come again to the fore in the near term. Looking at today's calendar, focus is on inflation data from the Eurozone and the US. Eurozone's inflation is likely to accelerate to 1.4%YoY in August from 1.3%YoY in July on the back of higher energy and food prices while in the US, July's core PCE, the Fed's preferred gauge of inflation, is expected to come in line with the prior month's 1.4%YoY, below its 2.0%YoY inflation target.

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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 €4.00bn.

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August 31, 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	2457.59	0.5%	9.8%	EUR/USD	1.1889	0.0%	13.0%	UST - 10yr	2.14	1	-30	GOLD	1306	-0.2%	13.4%
Nikkei 225	19646.24	0.7%	2.8%	GBP/USD	1.2884	-0.3%	4.3%	Bund-10yr	0.37	1	16	BRENT CRUDE	51	0.2%	-10.3%
STOXX 600	373.06	0.6%	3.2%	USD/JPY	110.58	-0.3%	5.8%	JGB - 10yr	0.01	0	-4	LME X	3192	-0.3%	20.0%

### CESEE MARKETS

#### SERBIA

##### Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	3.00	1	0
1-week	3.13	0	-4
1-month	3.33	1	-2
3-month	3.56	1	9
6-month	3.77	1	11

##### RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	4.83	-1	-20
5Y RSD	4.97	-5	-38
7Y RSD	5.58	0	-5

##### RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Nov-17	1.25	-18	-107
USD Nov-24	6.27	2	-15

##### CDS

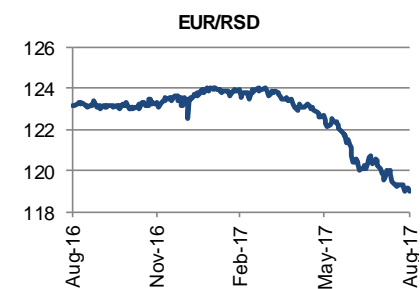
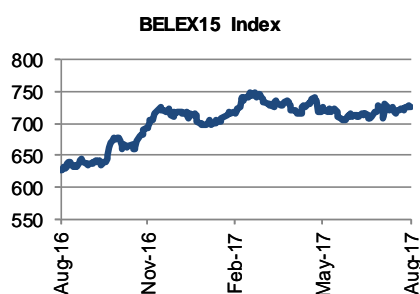
	Last	ΔDbps	ΔYTD bps
5-year	133	-2	-75
10-year	185	-1	-70

##### STOCKS

	Last	ΔD	ΔYTD
BELEX15	726.4	0.02%	1.26%

##### FOREX

	Last	ΔD	ΔYTD
EUR/RSD	119.06	-0.02%	3.69%



#### ROMANIA

##### Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	0.63	2	7
1-month	0.7	-1	-6
3-month	0.91	0	1
6-month	1.11	1	0
12-month	1.28	2	3

##### RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	1.38	0	-24
5Y RON	2.28	0	-24
10Y RON	3.59	-1	-6

##### RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	1.69	-1	-45
USD Jan-24	2.93	-1	-96

##### CDS

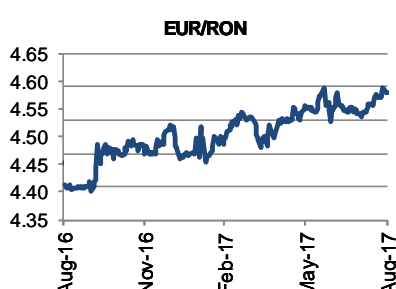
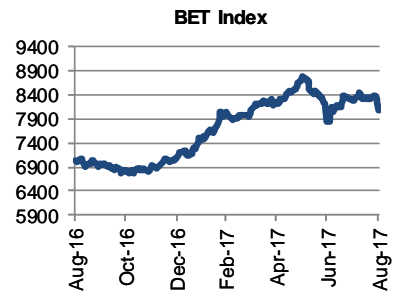
	Last	ΔDbps	ΔYTD bps
5-year	95	-1	-15
10-year	149	-1	-3

##### STOCKS

	Last	ΔD	ΔYTD
BET	8075.4	-1.84%	13.98%

##### FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.5912	0.02%	-1.14%



#### BULGARIA

##### Money Market

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	0.01	0	1
1-month	-0.16	0	1
3-month	-0.09	-1	-2
6-month	0.04	0	-4
12-month	0.38	0	-3

##### BG Local Bonds

(yields)	Last	ΔDbps	ΔYTD bps
3Y BGN	-0.19	-1	-34
5Y BGN	0.05	0	-46
10Y BGN	1.40	0	-51

##### BG Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Mar-22	0.20	-6	-67
EUR Sep-24	0.99	1	-69

##### CDS

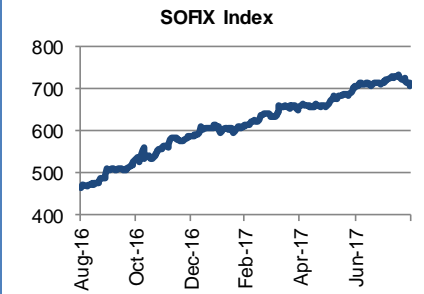
	Last	ΔDbps	ΔYTD bps
5-year	100	-1	-52
10-year	148	-1	-46

##### STOCKS

	Last	ΔD	ΔYTD
SOFIX	706.9	0.05%	20.54%

##### FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.6452	0.04%	12.96%



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

Data updated as of 12:30 EEST

August 31, 2017

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