



# DAILY OVERVIEW

## OF GLOBAL MARKETS & THE SEE REGION

Monday, September 12, 2016

### KEY UPCOMING DATA & EVENTS THIS WEEK

#### GLOBAL

##### US

- Sep 12: Fed's Lockhart, Kashkari, Brainard speak
- Sep 15
  - Jobless claims (weekly)
  - Retail sales (Aug)
  - Philly Fed (Sep)
  - Empire manufacturing (Sep)
  - Industrial production (Aug)
- Sep 16
  - CPI (Aug)
  - UoM sentiment (Sep, p)

##### EUROZONE

- Sep 14: Industrial production (Jul)
- Sep 15: CPI (Aug, f)

##### GREECE

- Sep 12
  - Representatives of the institutions (EC, ESM, ECB & IMF) arrive in Athens to monitor the implementation of the milestones
  - Building Activity (Jun)
- Sep 13: Production Index in Construction (Q2)
- Sep 15: Labor Force Survey (Q2)

##### CYPRUS

- Sep 16: Sovereign credit rating review by S&P

##### SEE

##### BULGARIA

- Sept 12: Trade balance (Jul)
- Sept 13: CPI (Aug)
- Sept 15: U/E rate (Aug)
- Sept 12: Current account (Jul)

##### ROMANIA

- Sep 12
  - CPI (Aug)
  - 3.25% 2024 T-bonds auction
- Sep 14: Industrial production (Jul)

##### SERBIA

- Sep 12: HICP (Aug)

Source: Reuters, Bloomberg,  
Eurobank Research

## HIGHLIGHTS

### WORLD ECONOMIC & MARKET DEVELOPMENTS

**GREECE:** The government is fully committed on the timely implementation of the milestones for the disbursement of the €2.8 bn and also prepares the ground for the upcoming 2<sup>nd</sup> review of the 3<sup>rd</sup> Adjustment Programme.

### SOUTH EASTERN EUROPE

**ROMANIA:** The EUR/RON ended little changed last week remaining bound within a tight range of 4.4430/540 seen since July. On the money market, short-term RON interest rates remained close to the central bank's deposit facility rate of 0.25%. Investor sentiment towards government bonds improved as dovish data from the US helped dispel fears of a Fed rate hike in the imminent future.

**SERBIA:** Following a small correction upwards to 123.20/40 on Tuesday, the EUR/RSD remained stuck around that level for most of last week amid very thin trading volumes.

#### DISCLAIMER

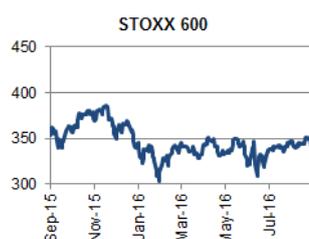
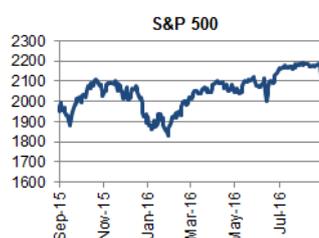
This document has been issued by Eurobank Ergasias S.A. (Eurobank) and may not be reproduced in any manner. The information provided has been obtained from sources believed to be reliable but has not been verified by Eurobank and the opinions expressed are exclusively of their author. This information does not constitute an investment advice or any other advice or an offer to buy or sell or a solicitation of an offer to buy or sell or an offer or a solicitation to execute transactions on the financial instruments mentioned. The investments discussed may be unsuitable for investors, depending on their specific investment objectives, their needs, their investment experience and financial position. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions, all of which are subject to change without notice. No responsibility or liability, whatsoever or howsoever arising, is accepted in relation to the contents thereof by Eurobank or any of its directors, officers and employees.

## Latest world economic & market developments

### GREECE

The Eurogroup that took place in Bratislava, last Friday, September 9<sup>th</sup>, acknowledged the progress made so far by the Greek government on the implementation of the milestones required for the dispersion of the €2.8 bn installment. The dispersion will not take place before the implementation of the full list of the 15 milestones. The Head of the ESM, Klaus Regling, stated also that the ESM is ready to approve the disbursement of the €2.8 bn before the end of October 2016, i.e. before the availability period for these funds expires. On the same lines, the ESM Head, mentioned that the ESM is working hard to deliver on the short-term debt relief measures, following the mandate from the May 2016 Eurogroup. The Greek PM, yesterday on the press conference following the opening of the 81<sup>st</sup> Thessaloniki International Fair, stated that the government is fully committed on the timely implementation of the milestones for the disbursement of the €2.8 bn and also prepares the ground for the upcoming 2<sup>nd</sup> review of the 3<sup>rd</sup> Adjustment Programme. The representatives of the institutions (EC, ESM, ECB and the IMF) arrive today in Athens in order to monitor the implementation of the milestones.

[tstamatiou@eurobank.gr](mailto:tstamatiou@eurobank.gr)



Source: Reuters, Bloomberg, Eurobank Research

September 12, 2016

BULGARIA: Indicators	2014	2015	2016f
Real GDP growth %	1.6	3.0	2.6
CPI (pa, yoy %)	-1.4	-0.1	-0.5
Budget Balance/GDP*	-3.7	-2.9	-2.0
Current Account/GDP	0.9	1.4	1.0
EUR/BGN (eop)	1.9558		
	2015	current	2016f
Policy Rate (eop)	N/A	N/A	N/A

\* on a cash basis

Source: Reuters, Bloomberg, Eurobank Research,  
National Authorities

CYPRUS: Indicators	2014	2015	2016f
Real GDP growth %	-2.5	1.6	2.5
HICP (pa, yoy %)	-0.3	-1.5	-0.7
Budget Balance/GDP*	-0.2	0.0	-0.4
Current Account/GDP	-4.6	-3.6	-4.2

\* ESA 2010

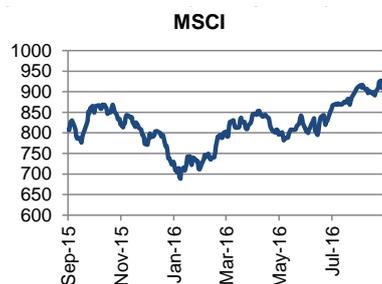
Source: Reuters, Bloomberg, Eurobank Research,  
National Authorities

ROMANIA: Indicator:	2014	2015	2016f
Real GDP growth %	2.9	3.8	4.2
CPI (pa, yoy %)	1.1	-0.6	-1.5
Budget Balance/GDP *	-1.9	-1.9	-2.8
Current Account/GDP	-0.4	-1.1	-3.0
EUR/RON (eop)	4.48	4.52	4.60
	2015	current	2016f
Policy Rate (eop)	1.75	1.75	2.00

\* on a cash basis

Source: Reuters, Bloomberg, Eurobank Research,  
National Authorities

SERBIA: Indicators	2014	2015	2016f
Real GDP growth %	-1.8	0.7	1.8
CPI (pa, yoy %)	2.1	1.5	2.8
Budget Balance/GDP	-6.7	-4.1	-4.0
Current Account/GDP	-6.0	-4.7	-4.6
EUR/RSD (eop)	121.38	121.52	125.00
	2015	current	2016f
Policy Rate (eop)	4.25	4.00	4.00

Source: Reuters, Bloomberg, Eurobank Research,  
National Authorities

Credit Ratings			
L-T ccy	Moody's	S&P	Fitch
SERBIA	B1	BB-	BB-
ROMANIA	Baa3	BBB-	BBB-
BULGARIA	Baa2	BB+	BBB-
CYPRUS	B1	BB-	B+

Source: IMF, EC, Reuters, Bloomberg, National  
Authorities, Eurobank Research

## Latest economic & market developments in the CESEE region

### ROMANIA

The EUR/RON ended little changed last week remaining bound within a tight range of 4.4430/540 seen since July. On the money market, short term RON interest rates remained close to the central bank's deposit facility rate of 0.25%. The 1W implied rate from swaps ended the week little changed hovering around levels of 0.30%, while the 1M rose back from 0.45% to 0.55% on Friday. Investor sentiment towards government bonds improved as dovish data coming out of the US helped dispel fears of a Fed rate hike in the imminent future. As a result, the 5- and 10-year yields closed the week 5bps lower each at 2.13% and 2.90%, respectively.

[Bogdan.Radulescu@bancpost.ro](mailto:Bogdan.Radulescu@bancpost.ro)

### SERBIA

Following a small correction upwards to 123.20/40 on Tuesday, the EUR/RSD remained stuck around that level for most of last week amid very thin trading volumes. Since the cross moved away from the 123.00 area where the National bank of Serbia (NBS) has lately been intervening in order to halt any further dinar appreciation, the Central Bank refrained from taking any such action in the FX market over the last four sessions. From mid-September onwards, we expect corporate demand to give impetus to the EUR. However, if the anticipated EUR/RSD uptrend proves overdone the NBS will likely start protecting dinar from over-depreciating. Such Central Bank intervention will probably emerge around levels of 124.00-124.30.

[Djordje.Lucic@eurobank.rs](mailto:Djordje.Lucic@eurobank.rs)

September 12, 2016

**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	2127.81	-2.5%	4.1%	EUR/USD	1.124	0.1%	3.5%	UST - 10yr	1.69	2	-58	GOLD	1329	0.1%	25.2%
Nikkei 225	16672.92	-1.7%	-12.4%	GBP/USD	1.3274	0.0%	-9.9%	Bund-10yr	0.05	4	-58	BRENT CRUDE	47	-1.4%	27.0%
STOXX 600	339.24	-1.8%	-7.3%	USD/JPY	102.1	0.6%	17.6%	JGB - 10yr	0.00	1	-27	LMEX	2348	-0.8%	6.6%

**CESEE MARKETS**

**SERBIA**

**Money Market**

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	302	0	-1
1-week	3.15	0	-4
1-month	3.30	-1	-21
3-month	3.54	0	-29
6-month	3.73	0	-30

**RS Local Bonds**

	Last	ΔDbps	ΔYTD bps
3Y RSD	2.95	xs	-64
5Y RSD	4.48	-1	-63
7Y RSD	5.70	-4	-200

**RS Eurobonds**

	Last	ΔDbps	ΔYTD bps
USD Nov-17	2.22	7	-94
USD Nov-24	6.51	2	10

**CDS**

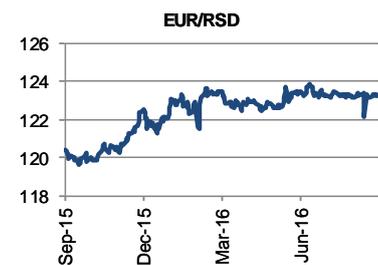
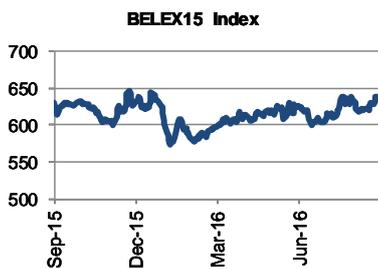
	Last	ΔDbps	ΔYTD bps
5-year	218	-1	-57
10-year	260	-1	-80

**STOCKS**

	Last	ΔD	ΔYTD
BELEX15	633.8	-0.76%	-1.60%

**FOREX**

	Last	ΔD	ΔYTD
EUR/RSD	123.26	0.02%	-1.36%



**ROMANIA**

**Money Market**

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	0.44	0	-9
1-month	0.54	-1	-15
3-month	0.73	-1	-29
6-month	0.96	0	-38
12-month	1.11	0	-41

**RO Local Bonds**

	Last	ΔDbps	ΔYTD bps
3Y RON	1.49	2	-44
5Y RON	2.16	2	-64
10Y RON	3.00	4	-78

**RO Eurobonds**

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	1.57	0	-100
USD Jan-24	2.76	5	-103

**CDS**

	Last	ΔDbps	ΔYTD bps
5-year	105	1	-28
10-year	149	1	-22

**STOCKS**

	Last	ΔD	ΔYTD
BET	6914.1	-1.61%	-1.29%

**FOREX**

	Last	ΔD	ΔYTD
EUR/RON	4.4524	-0.18%	1.38%



**BULGARIA**

**Money Market**

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	-0.05	1	-6
1-month	-0.14	1	-30
3-month	-0.03	1	-29
6-month	0.12	1	-41
12-month	0.45	1	-53

**BG Local Bonds**

(yields)	Last	ΔDbps	ΔYTD bps
3Y BGN	0.20	-1	-40
5Y BGN	0.57	-2	-70
10Y BGN	1.90	0	-76

**BG Eurobonds**

	Last	ΔDbps	ΔYTD bps
EUR Jul-17	-0.09	-5	-16
EUR Sep-24	1.94	-413	-48

**CDS**

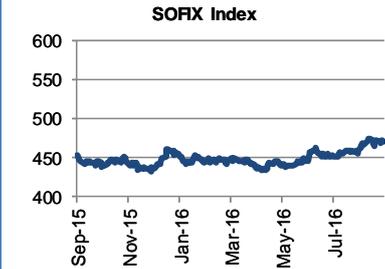
	Last	ΔDbps	ΔYTD bps
5-year	136	1	-36
10-year	177	1	-39

**STOCKS**

	Last	ΔD	ΔYTD
SOFIX	469.8	-0.45%	1.92%

**FOREX**

	Last	ΔD	ΔYTD
USD/BGN	1.7401	0.07%	3.46%



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

Data updated as of 12:00 EEST

## Contributors

**Paraskevi Petropoulou**  
Economic Analyst, Eurobank Ergasias  
+30 210 3718991  
[ppetropoulou@eurobank.gr](mailto:ppetropoulou@eurobank.gr)

**Galatia Phoka**  
Research Economist, Eurobank Ergasias  
+30 210 3718922  
[gphoka@eurobank.gr](mailto:gphoka@eurobank.gr)

**Ioannis Gkionis (Special Contributor)**  
Research Economist, Eurobank Ergasias  
30 210 3337305  
[igkionis@eurobank.gr](mailto:igkionis@eurobank.gr)

**Anna Dimitriadou (Special Contributor)**  
Economic Analyst, Eurobank Ergasias  
+30 210 3718793  
[andimitriadou@eurobank.gr](mailto:andimitriadou@eurobank.gr)

**Olga Kosma (Special Contributor)**  
Research Economist, Eurobank Ergasias  
+30 210 3371227  
[okosma@eurobank.gr](mailto:okosma@eurobank.gr)

**Theodoros Stamatou (Special Contributor)**  
Senior Economist, Eurobank Ergasias  
30 210 3371228  
[tstamatou@eurobank.gr](mailto:tstamatou@eurobank.gr)

## Regional Contributors

**Vessela Boteva**  
Expert, trading desk, Eurobank Bulgaria  
+359 (2) 8166 491  
[vboteva@postbank.bg](mailto:vboteva@postbank.bg)

**Zoran Korac**  
FX dealer, Eurobank ad Beograd  
+381 11 206 5821  
[zoran.korac@eurobank.rs](mailto:zoran.korac@eurobank.rs)

**Bogdan Radulescu, CFA**  
Senior Trader, Bancpost  
+40 21 3656291  
[bogdan.radulescu@bancpost.ro](mailto:bogdan.radulescu@bancpost.ro)

## Eurobank Economic Analysis and Financial Markets Research

**Dr. Platon Monokroussos: Group Chief Economist**  
[pmonokrousos@eurobank.gr](mailto:pmonokrousos@eurobank.gr), +30 210 37 18 903

**Dr. Tassos Anastasatos: Deputy Chief Economist**  
[tanastasatos@eurobank.gr](mailto:tanastasatos@eurobank.gr), +30 210 33 71 178

## Research Team

**Anna Dimitriadou: Economic Analyst**  
[andimitriadou@eurobank.gr](mailto:andimitriadou@eurobank.gr), +30 210 3718 793

**Ioannis Gkionis: Research Economist**  
[igkionis@eurobank.gr](mailto:igkionis@eurobank.gr) +30 210 33 71 225

**Stylios Gogos: Economic Analyst**  
[sgogos@eurobank.gr](mailto:sgogos@eurobank.gr) +30 210 33 71 226

**Olga Kosma: Research Economist**  
[okosma@eurobank.gr](mailto:okosma@eurobank.gr) +30 210 33 71 227

**Arkadia Konstantopoulou: Research Assistant**  
[arkonstantopoulou@eurobank.gr](mailto:arkonstantopoulou@eurobank.gr) +30 210 33 71 224

**Paraskevi Petropoulou: G10 Markets Analyst**  
[ppetropoulou@eurobank.gr](mailto:ppetropoulou@eurobank.gr), +30 210 37 18 991

**Galatia Phoka: Research Economist**  
[gphoka@eurobank.gr](mailto:gphoka@eurobank.gr), +30 210 37 18 922

**Theodoros Stamatou: Senior Economist**  
[tstamatou@eurobank.gr](mailto:tstamatou@eurobank.gr), +30 210 3371228

Eurobank Ergasias S.A, 8 Othonos Str, 105 57 Athens, tel: +30 210 33 37 000, fax: +30 210 33 37 190, email: [EurobankGlobalMarketsResearch@eurobank.gr](mailto:EurobankGlobalMarketsResearch@eurobank.gr)

## Eurobank Economic Analysis and Financial Markets Research

More research editions available at <http://www.eurobank.gr/research>

- **Daily Overview of Global markets & the SEE Region:** Daily overview of key macro & market developments in Greece, regional economies & global markets
- **Greece Macro Monitor:** Periodic publication on the latest economic & market developments in Greece
- **Regional Economics & Market Strategy Monthly:** Monthly edition on economic & market developments in the region
- **Global Economy & Markets Monthly:** Monthly review of the international economy and financial markets

Subscribe electronically at <http://www.eurobank.gr/research>

Follow us on twitter: <http://twitter.com/Eurobank>

