

### KEY UPCOMING DATA & EVENTS THIS WEEK

#### GLOBAL

##### US

- Sep 26: New home sales (Aug)
- Sep 27: CB consumer confidence (Sep)
- Sep 28: Durable goods orders (Aug)
- Sep 29
  - GDP (final, Q2)
  - Jobless claims (weekly)
  - Pending home sales (Aug)
- Sep 30
  - Personal income/spending (Aug)
  - Core PCE deflator (Aug)
  - Chicago PMI (Sep)
  - UoM consumer sentiment (Sep)

##### EUROZONE

- Sep 26
  - IT: cabinet to decide on the referendum date
  - DE: Ifo business (Sep)
  - ECB President speaks
- Sep 27: PMI manufacturing & services (Sep)
- Sep 28: ECB President speaks
- Sep 29: Economic sentiment (Sep)
- Sep 30: HICP (flash, Sep)

##### SEE

##### BULGARIA

- Sep 28: Gros external debt (Jul)
- Sep 30: Sovereign credit rating review by Moody's

##### ROMANIA

- Sep 26: 2.5% 2022 T-Bonds auction
- Sep 30
  - MPC decision
  - International reserves (Sep)

##### SERBIA

- Sep 26: Real gross wages (Aug)
- Sep 30
  - Trade balance (Aug)
  - Retail sales (Aug)
  - Industrial output (Aug)

Source: Reuters, Bloomberg,  
Eurobank Research

## HIGHLIGHTS

### WORLD ECONOMIC & MARKET DEVELOPMENTS

**GLOBAL MARKETS:** Press reports suggested that Democrat Hillary Clinton emerged as the winner in yesterday's first televised debate looking more presidential than her rival Republican Donald Trump. In reaction to the above, the Mexican peso gained sharply across the board. On a trade-weighted basis, the USD was little changed compared to yesterday's settlement but still 0.7% lower relative to levels recorded the day ahead of the announcement of the September 21st FOMC monetary policy outcome. The second US presidential debate is scheduled for October 9th.

**GREECE:** In its Staff Concluding Statement of the 2016 Article IV Mission on Greece the IMF is reiterating its position for further debt relief in order to restore debt sustainability, a view that stumbles to the opposition of Germany, which insists on sticking to the May 9 Eurogroup agreement and requests that the IMF clarify the role it will assume in the third programme for Greece before the end of the year. With regard to the completion of the 15 prior actions for the release of the €2.8bn sub-tranche, a multi –bill containing the relevant legislative actions is scheduled for vote by the Hellenic Parliament today, while, according to press reports, another bill regarding the Hellenic Civil Aviation Authority (HCAA) is scheduled to be brought to Parliament by the end of the week.

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## Latest world economic & market developments

### GLOBAL MARKETS



Source: Reuters, Bloomberg, Eurobank Research



Source: Reuters, Bloomberg, Eurobank Research

Press reports suggested that Democrat Hillary Clinton emerged as the winner in yesterday's first televised debate looking more presidential than her rival Republican Donald Trump. In reaction to the above, the Mexican peso gained sharply across the board standing about 1.2% higher against the US dollar in European trade compared to Monday's close. Trump's post-election campaign highlights, among others, the building of a wall along the border with Mexico and negotiation of the North American Free Trade Agreement in view of his opposition to illegal immigration and various free trade agreements. The second debate is scheduled for October 9th. Commodity related currencies also outperformed the USD with the AUD/USD hitting a three-week high near 0.77 earlier today. In a similar note, the EUR remained well supported against the US currency standing close to 1.1250/55 at the time of writing, not far from Monday's multi-session high of 1.1278. Speaking to the European Parliament yesterday, ECB President Mario Draghi indicated that the ECB's base scenario of a progressive but moderate euro area economic recovery remains intact with incoming data pointing to an economy being resilient to global and political uncertainty, notably following the UK referendum outcome. However, he warned that economic imbalances within the euro zone risk destabilizing the economy stressing the need for actions by national governments "to unleash growth, reduce unemployment and empower individuals, while offering essential protections for the most vulnerable". On a trade-weighted basis, the USD was little changed compared to yesterday's settlement but still 0.7% lower relative to levels recorded the day ahead of the announcement of the September 21st FOMC monetary policy outcome. In other news, the Italian government announced that the referendum on Constitutional amendments will be held on December 4th. Looking at the US calendar, today we expect the Conference Board consumer confidence index for September. Consensus sees a drop to 98.8 from 101.1 reported in August, the highest in nearly a year.

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### GREECE

In its Staff Concluding Statement of the 2016 Article IV Mission on Greece the IMF is reiterating its position for further debt relief in order to restore debt sustainability, a view that stumbles to the opposition of Germany, which insists on sticking to the May 9 Eurogroup agreement. This agreement foresees that a package of debt measures could be phased in progressively as necessary to meet the agreed benchmark on gross financing needs and subject to the pre-defined conditionality of the ESM programme. Furthermore, according to press reports, Germany is unwilling to proceed to debt relief before the German federal elections due in about a year but requests that the IMF clarify the role it will assume in the third programme for Greece before the end of the year. The Fund, however, has repeatedly stated that it will only financially participate in the programme when it deems Greece's public debt sustainable and Greece proceeds with the strict implementation of significant reforms. With regard to the completion of the 15 prior actions for the release of the €2.8bn sub-tranche, a multi-bill containing the relevant legislative actions is scheduled for vote by the Hellenic Parliament today, while, according to press reports, another bill regarding the Hellenic Civil Aviation Authority (HCAA) is scheduled to be brought to Parliament by the end of the week. Nevertheless, reportedly the two sticky issues that remain are the sale of a 66% share of the Hellenic Gas Transmission System Operator (DESF) to the State Oil Company of Azerbaijan (SOCAR) and the Special Duty of Greenhouse Gas Emissions Reduction (ETMEAR).

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September 27, 2016

**GLOBAL MARKETS**

Stock markets	FOREX	Government Bonds	Commodities													
Last	ΔD	ΔYTD	Last	ΔD	ΔYTD	Last	ΔD	ΔYTD	Last	ΔD	ΔYTD					
S&P 500	2164.69	-0.6%	5.9%	EUR/USD	1.1239	0.1%	3.5%	(yields)	UST - 10yr	1.60	-2	-67	GOLD	1335	-0.2%	25.8%
Nikkei 225	16544.56	-1.3%	-13.1%	GBP/USD	1.2924	-0.4%	-12.3%	Bund-10yr	-0.10	-2	-73	BRENT CRUDE	46	0.0%	23.1%	
STOXX 600	339.91	-1.6%	-7.1%	USD/JPY	100.61	0.4%	19.3%	JGB - 10yr	-0.06	-2	-33	LMEX	2433	-0.1%	10.4%	

**CESEE MARKETS**

**SERBIA**

**Money Market**

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	300	-2	-3
1-week	3.14	0	-5
1-month	3.31	2	-20
3-month	3.54	3	-29
6-month	3.73	3	-30

**RS Local Bonds**

	Last	ΔDbps	ΔYTD bps
3Y RSD	2.38	xs	-88
5Y RSD	4.40	0	-72
7Y RSD	5.72	0	-198

**RS Eurobonds**

	Last	ΔDbps	ΔYTD bps
USD Nov-17	2.07	0	-109
USD Nov-24	6.56	1	14

**CDS**

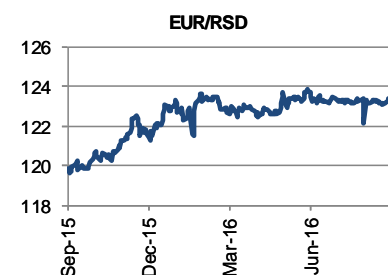
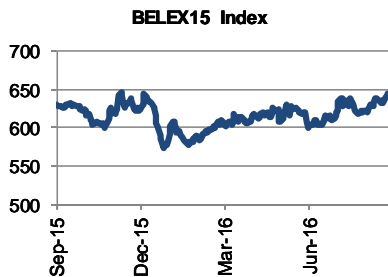
	Last	ΔDbps	ΔYTD bps
5-year	198	0	-76
10-year	241	1	-99

**STOCKS**

	Last	ΔD	ΔYTD
BELEX15	636.1	-0.53%	-1.24%

**FOREX**

	Last	ΔD	ΔYTD
EUR/RSD	123.20	0.12%	-1.31%



**ROMANIA**

**Money Market**

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	0.51	7	-2
1-month	0.56	1	-13
3-month	0.72	1	-30
6-month	0.94	0	-40
12-month	1.09	-1	-43

**RO Local Bonds**

	Last	ΔDbps	ΔYTD bps
3Y RON	1.41	0	-52
5Y RON	2.10	0	-70
10Y RON	2.90	0	-88

**RO Eurobonds**

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	1.62	0	-95
USD Jan-24	2.61	-3	-117

**CDS**

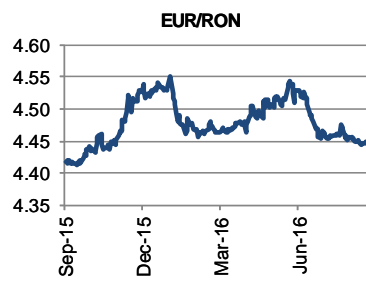
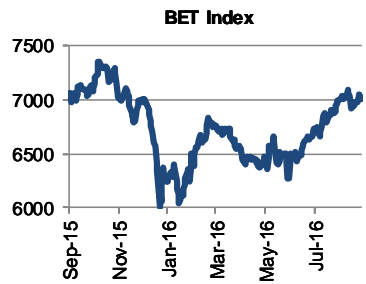
	Last	ΔDbps	ΔYTD bps
5-year	93	-3	-40
10-year	140	0	-32

**STOCKS**

	Last	ΔD	ΔYTD
BET	6960.4	-0.57%	-0.63%

**FOREX**

	Last	ΔD	ΔYTD
EUR/RON	4.4513	0.01%	1.41%



**BULGARIA**

**Money Market**

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	-0.07	-2	-8
1-month	-0.14	0	-29
3-month	-0.05	0	-31
6-month	0.12	0	-41
12-month	0.44	0	-53

**BG Local Bonds**

(yields)	Last	ΔDbps	ΔYTD bps
3Y BGN	0.19	0	-41
5Y BGN	0.54	-10	-73
10Y BGN	1.87	2	-78

**BG Eurobonds**

	Last	ΔDbps	ΔYTD bps
EUR Jul-17	-0.08	-2	-15
EUR Sep-24	1.42	-2	-100

**CDS**

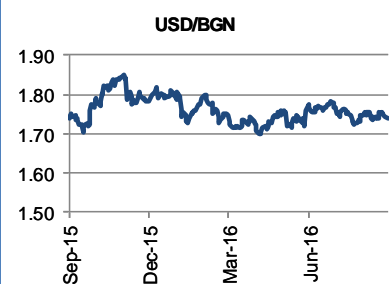
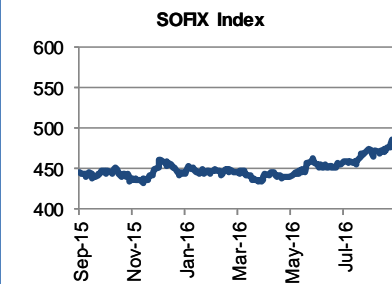
	Last	ΔDbps	ΔYTD bps
5-year	135	0	-36
10-year	179	1	-37

**STOCKS**

	Last	ΔD	ΔYTD
SOFIX	485.1	0.03%	5.25%

**FOREX**

	Last	ΔD	ΔYTD
USD/BGN	1.7402	0.03%	3.45%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research  
Data updated as of 11:30 EEST

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