



# DAILY OVERVIEW

## OF GLOBAL MARKETS & THE SEE REGION

Thursday, September 29, 2016

### 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:** Brent crude oil price rose on news that, aiming to address the oversupply problem, OPEC reached a preliminary agreement at yesterday's meeting to limit output. Supported by higher oil-related shares major European equity markets were firmer in the early hours of today's trading while German Bunds and US Treasuries weakened in European trade as increased appetite for risk taking dented their safe-haven appeal. OPEC's tentative agreement to cut production, the first such decision in eight years, favored commodity-related currencies, with the CAD outperforming. Looking at today's US calendar, focus is on the third estimate of Q2 GDP, initial jobless claims and August pending home sales.

**GREECE:** The Euroworking Group that is scheduled to convene today will discuss Greece's compliance with the programme conditionality and, subject to a positive assessment, the October 10 Eurogroup will approve the release of the remaining €2.8bn sub-tranche. The three remaining prior actions will reportedly be closed by the October 10 Eurogroup. According to Eurostat's Business and Consumer Survey results for September 2016, Economic Sentiment in Greece receded to 91.4 against 92.5 in August 2016.

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## Latest world economic & market developments

### GLOBAL MARKETS

Brent crude oil price rose on news that OPEC reached a preliminary agreement at yesterday's meeting to limit output to between 32.5mn and 33mn barrels per day from an estimated 33.25mn currently, aiming to address the oversupply problem. After moving above \$49/bp earlier today for the first time in three weeks Brent crude price hit a session high of \$49.10/bp before retreating to levels around \$48.25/bp at the time of writing on market concerns that a certain deal is far from certain as implementation details are lacking such as determination of production quotas for country members. Reportedly, OPEC will wait until the next meeting on November 30th to finalize the plan. Supported by higher oil-related shares major European equity markets were firmer in the early hours of today's trading while German Bunds and US Treasuries weakened as increased appetite for risk taking dented their safe-haven appeal. OPEC's tentative agreement to cut production, the first such decision in eight years, favored commodity-related currencies, with the CAD outperforming its major peers in FX markets. Elsewhere, the EUR/USD continued to consolidate further around the 1.1200 area, a pattern that is expected to prevail in the coming sessions, in the absence of major events/data releases that could potentially push the pair beyond either side of the recent trading range. Euro area data earlier today suggesting that the economic sentiment index unexpectedly improved in September coming in at 104.9 from 103.5 in the prior month was broadly shrugged off by FX market participants. Looking at today's calendar, several Fed officials are scheduled to hold speeches including Chair Janet Yellen (22:00 CET), who is expected to reiterate that the Central Bank's monetary policy deliberations remain data and financial conditions dependent. On the data front, focus is on the third estimate of US Q2 GDP, initial jobless claims and August pending home sales.

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



Source: Reuters, Bloomberg, Eurobank Research

### GREECE

The Euroworking Group that is scheduled to convene today will discuss Greece's compliance with the programme conditionality and, subject to a positive assessment, the October 10 Eurogroup will approve the release of the remaining €2.8bn sub-tranche. It should be noted that three prior actions are still pending but, according to official sources, they will have been closed by the October 10 Eurogroup. These are: a) the assessment of the four systemic banks' BoD members, b) the reinforcement of the operational framework of the Hellenic Civil Aviation Authority (HCAA), and c) the launch of expressions of interest for the concession of Egnatia Motorway S.A. & the three Vertical Axes. Meanwhile, the Greek Finance Minister, Euclid Tsakalotos, met yesterday in Luxemburg with the ESM Managing Director Klaus Regling and reportedly discussed the short- and medium-term debt relief measures that could be granted to Greece on the basis of the 9 and 24 May Eurogroup. According to press reports, the parameters that are being considered for debt relief are, among others, the interest rate range and the part of the debt on which relief measures will apply. On the economic data front, according to Eurostat's Business and Consumer Survey results for September 2016, Economic Sentiment in Greece receded to 91.4 against 92.5 in August 2016. The individual confidence indicators (c.i.) moved in September 2016 against the previous month as follows: industrial c.i. fell to -6.2 from -5.1, services c.i. fell to -6.9 from -4.0, consumer c.i. rose to -65.9 from -70.1, retail trade c.i. increased to 15.0 from 9.3 and construction c.i. dropped to -59.5 from -52.5.

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

September 29, 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	2171.37	0.5%	6.2%	EUR/USD	1.1214	0.0%	3.3%	UST - 10yr	1.58	1	-69	GOLD	1322	0.0%	24.5%
Nikkei 225	16693.71	1.4%	-12.3%	GBP/USD	1.2992	-0.2%	-11.8%	Bund-10yr	-0.12	3	-75	BRENT CRUDE	48	-0.8%	29.6%
STOXX 600	344.92	0.7%	-5.7%	USD/JPY	101.4	-0.7%	18.4%	JGB - 10yr	-0.08	1	-35	LMEX	2447	0.7%	11.1%

**CESEE MARKETS**

**SERBIA**

**Money Market**

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	300	0	-3
1-week	3.13	-1	-6
1-month	3.28	-1	-23
3-month	3.50	-1	-33
6-month	3.69	0	-34

**RS Local Bonds**

	Last	ΔDbps	ΔYTD bps
3Y RSD	2.58	xs	-102
5Y RSD	4.35	0	-77
7Y RSD	5.66	-2	-204

**RS Eurobonds**

	Last	ΔDbps	ΔYTD bps
USD Nov-17	2.08	-6	-109
USD Nov-24	6.56	-1	14

**CDS**

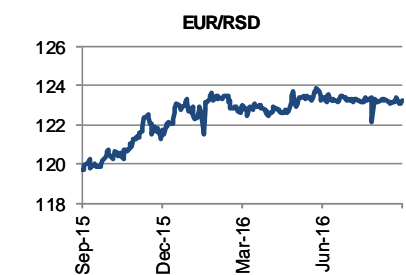
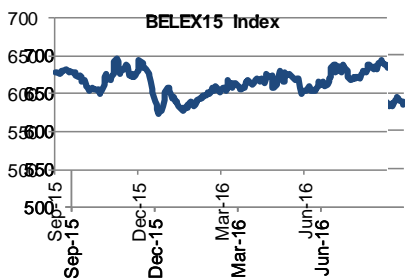
	Last	ΔDbps	ΔYTD bps
5-year	198	0	-76
10-year	241	0	-99

**STOCKS**

	Last	ΔD	ΔYTD
BELEX15	635.9	0.33%	-1.27%

**FOREX**

	Last	ΔD	ΔYTD
EUR/RSD	123.23	-0.03%	-1.34%



**ROMANIA**

**Money Market**

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	0.45	0	-8
1-month	0.55	1	-14
3-month	0.7	0	-32
6-month	0.92	-1	-42
12-month	1.09	0	-43

**RO Local Bonds**

	Last	ΔDbps	ΔYTD bps
3Y RON	1.40	0	-53
5Y RON	2.10	0	-70
10Y RON	2.84	0	-94

**RO Eurobonds**

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	1.63	0	-93
USD Jan-24	2.66	3	-113

**CDS**

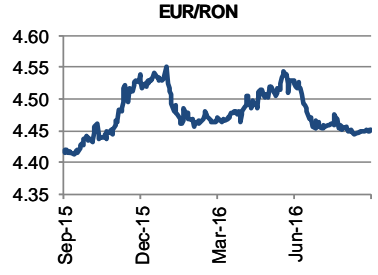
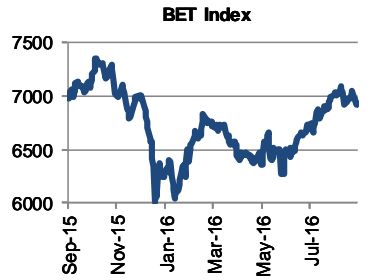
	Last	ΔDbps	ΔYTD bps
5-year	101	2	-32
10-year	145	2	-26

**STOCKS**

	Last	ΔD	ΔYTD
BET	6988.8	0.60%	-0.22%

**FOREX**

	Last	ΔD	ΔYTD
EUR/RON	4.4515	-0.03%	1.40%



**BULGARIA**

**Money Market**

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	-0.07	0	-8
1-month	-0.17	-2	-32
3-month	-0.05	0	-31
6-month	0.10	0	-43
12-month	0.40	-1	-57

**BG Local Bonds**

(yields)	Last	ΔDbps	ΔYTD bps
3Y BGN	0.20	1	-40
5Y BGN	0.55	2	-72
10Y BGN	1.87	0	-78

**BG Eurobonds**

	Last	ΔDbps	ΔYTD bps
EUR Jul-17	-0.19	2	-26
EUR Sep-24	1.42	10	-100

**CDS**

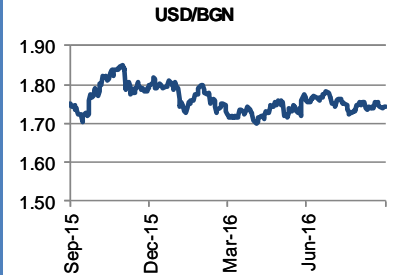
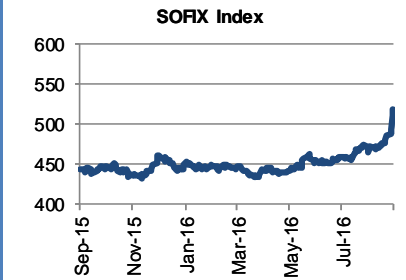
	Last	ΔDbps	ΔYTD bps
5-year	135	0	-37
10-year	178	0	-38

**STOCKS**

	Last	ΔD	ΔYTD
SOFIX	518.4	1.66%	12.48%

**FOREX**

	Last	ΔD	ΔYTD
USD/BGN	1.7442	-0.03%	3.22%



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

Data updated as of 13:15 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**  
[pmonokroussos@eurobank.gr](mailto:pmonokroussos@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)

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