

KEY UPCOMING DATA & EVENTS THIS WEEK

GLOBAL US

- April 28
 - Case-Shiller-House price index (Feb)
 - CB Consumer confidence (Apr)
- April 29
 - GDP (A, Q1 2015)
 - Pending home sales (Mar)
 - FOMC decision
- April 30
 - Personal income (Mar)
 - Personal spending (Mar)
 - Core PCE deflator (Mar)
 - Initial jobless claims (Apr 25)
 - Chicago PMI (Apr)
- May 1
 - ISM manuf (Apr)
 - UM Consumer sentiment (May)

EUROZONE

- April 30: HICP (flash, Apr)

GREECE

- April 30: Retail sales (Feb)

SEE

BULGARIA

- April 28: Gross external debt (Feb)
- April 30: Budget (Mar)

ROMANIA

- April 30: ILO U/E (Mar)

SERBIA

- April 30
 - Industrial prod. (Mar)
 - Retail sales (Mar)
 - Trade balance (Mar)
 - GDP (Q1, p)
 - CAD (Feb)

Source: Reuters, Bloomberg, Eurobank
Global Markets Research

HIGHLIGHTS

WORLD ECONOMIC & MARKET DEVELOPMENTS

GLOBAL MARKETS: Asian bourses moved lower today as investors adopt a cautious stance ahead of the conclusion of the FOMC's policy meeting later today. A bulk of US macro data have surprised negatively over the last few weeks raising market uncertainty about the ability of the US economy to rebound strongly after the Q1 soft patch. Against this background, all eyes today are on the FOMC policy statement while interest rates are expected to remain unchanged.

GREECE: The cabinet will convene on Thursday to discuss the details of a multi-bill, the government is currently preparing, containing the relevant legislation required for the implementation of several reforms incorporated in the detailed list the Greek Minister of Finance submitted to the Institutions late last month. Upon approval, the said bill is reportedly expected to be finalised by early next week and the government to submit it for approval to parliament as soon as possible in an effort to speed up the pace of official discussions with the Institutions.

CYPRUS: The government sold on Tuesday €1bn in seven-year euro-denominated (3.875%, May 6, 2022) bonds at a yield of 4%.

SOUTH EASTERN EUROPE

ROMANIA: The government sold at an auction on Tuesday RON 1bn (ca €0.23bn) in March 29, 2016 T-Bills.

CESEE MARKETS: Emerging stock markets treaded water on Tuesday as market caution prevailed ahead of the conclusion of the 2-day FOMC meeting and the upcoming release of the US Q1 GDP, both due on Wednesday. Along similar lines, **CESEE currencies** and **government bonds** closed broadly mixed on Tuesday.

DISCLAIMER

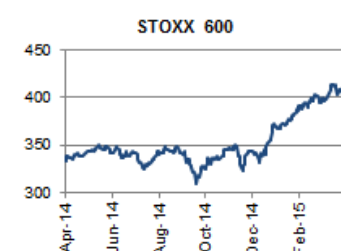
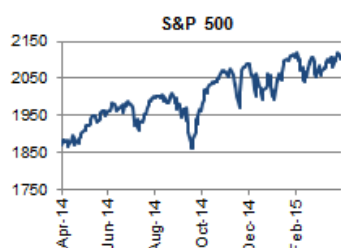
This report has been issued by Eurobank Ergasias S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees.

Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

April 29, 2015

Latest world economic & market developments

GLOBAL MARKETS



Source: Reuters, Bloomberg, Eurobank Research

Bucking the positive tone in US equity markets overnight amid increased optimism about Q4 corporate earnings results, Asian bourses moved lower today as investors adopt a cautious stance ahead of the conclusion of the FOMC's policy meeting later today. A bulk of US macro data have surprised negatively over the last few weeks raising market uncertainty about the ability of the US economy to rebound strongly after the Q1 soft patch. Against this background, all eyes today are on the FOMC policy statement. While the Fed is widely expected to stay put on interest rates, investors are awaiting clues over the US Central Bank's assessment of the domestic economy and its monetary policy deliberations ahead. With investors eagerly awaiting the conclusion of the FOMC policy meeting, the USD remained under pressure in European trade on Wednesday. The EUR/USD was hovering around 1.0960/70 at the time of writing, within distance from a multi-week peak of 1.0990 hit on Tuesday, but still trapped within the recent 1.0500-1.1100 range.

GREECE

The cabinet will convene on Thursday to discuss the details of a multi-bill, the government is currently preparing, containing the relevant legislation required for the implementation of several reforms incorporated in the detailed list the Greek Minister of Finance submitted to the Institutions late last month. Upon approval, the said bill is reportedly expected to be finalised by early next week and the government to submit it for approval to parliament as soon as possible in an effort to speed up the pace of official discussions with the Institutions. Should this be the case, an interim agreement with official creditors could reportedly be agreed at an extraordinary Eurogroup in early May, ahead of the next scheduled meeting on May 11, that could potentially allow a partial disbursement of the pending loan tranche. However, as things stand at this point, it is yet unclear whether such a development would be adequate for euro area finance ministers to allow a partial disbursement of the pending loan tranche. Speaking in the press conference that followed the conclusion of the April 24 Eurogroup, President Jeroen Dijsselbloem ruled out the possibility of an interim agreement on a few of the contentious issues and a partial loan disbursement. Instead, he called for an agreement on the full array of open issues in the context of the current review. According to the local press, whether euro area finance ministers could potentially agree on a partial loan disbursement, this will depend on the outcome of the Brussels Group talks which are due to begin on Thursday and run through Saturday at the earliest.

ppetropoulou@eurobank.gr

CYPRUS: Indicators	2013	2014e	2015f
Real GDP growth %	-5.4	-2.8	0.4
HICP (pa, yoy %)	0.4	-1.4	0.7
Budget Balance/GDP	-4.9	-3.0	-3.0
Current Account/GDP	-1.9	-1.1	-0.8

Source: Reuters, Bloomberg, Eurobank Research, National Authorities

CYPRUS

The government sold on Tuesday €1bn in seven-year euro-denominated (3.875%, May 6, 2022) bonds at a yield of 4%. Total demand amounted to €1.9bn. The auction marks Cyprus's return to international bond markets, for the second time since June 2014. According to media reports, Central Bank Governor Chrystalla Georghadji noted on Tuesday that the aforementioned successfully placed issue indicates a return of confidence towards the country's assets, adding that she anticipates this year's economic growth to return into a positive territory of 0.3% after remaining bound for three consecutive years in contraction. On his part, finance minister Haris Georgiades was quoted as saying to media yesterday that he was pleased with the outcome of Tuesday's 7-year bond sale and expressed hope that the government may sell more bonds in H2 2015, depending on market conditions.

gphoka@eurobank.gr

Latest world economic & market developments in the CESEE region

ROMANIA: Indicator:	2013	2014e	2015f
Real GDP growth %	3.5	2.9	2.7
CPI (pa, yoy %)	4.0	1.3	2.6
Budget Balance/GDP *	-2.5	-1.9	-2.0
Current Account/GDP	-1.1	-1.2	-0.5
EUR/RON (eop)	4.46	4.40	
	2014	current	2015f
Policy Rate (eop)	2.75	2.00	2.00

* on a cash basis

Source: Reuters, Bloomberg, Eurobank Research, National Authorities

ROMANIA

Speaking on the sidelines of a Conference in Bucharest, Central Bank Governor Mugur Isarescu said that it is the “right moment” for Romania to reassess its euro adoption plans, highlighting the need for a realistic Eurozone entry target date. In other news, the government sold at an auction on Tuesday RON 1bn (ca €0.23bn) in March 29, 2016 T-Bills. The average accepted yield came in at 1.46%, below 1.62% produced at a tender of 1-year T-Bills held in late March. Reflecting strong investor demand, the bid to cover ratio came in just above 2.

CESEE MARKETS

Emerging stock markets treaded water on Tuesday as market caution prevailed ahead of the conclusion of the 2-day FOMC meeting and the upcoming release of the US Q1 GDP, both due on Wednesday. In more detail, the MSCI Emerging Markets index closed in a marginally positive territory, standing just below a 7-½-month high hit intraday on Tuesday amid optimism about further economic stimulus measures by Chinese authorities and expectations that the Fed is in no rush to embark on a rate-tightening cycle.



Along similar lines, **CESEE currencies** closed broadly mixed on Tuesday. The Romanian leu broadly outperformed its regional peers, strengthening to a 2-year peak of 4.3665/EUR in late European trade, in a belated response to the recent finance ministry announcement about improving government finances. Recall that, the finance ministry announced on Monday that the general government consolidated surplus increased to 0.7%-of-GDP in Q1 2015 from 0.3%-of-GDP in January-February, compared to a budget deficit target of 1.8%-of-GDP for the whole of the year. Strong investor demand for the March 29, 2016 paper on Tuesday's T-Bills auction also appeared to have a positive impact on the RON. The Turkish lira followed suit extending Monday's gains yesterday. The currency appeared to receive additional support by Finance Minister Mehmet Simsek's comments suggesting a strengthening of the TRY against the US dollar in real terms over the medium to long term is likely thanks to robust domestic economic data. Against this backdrop, the USD/TRY fell by ca 0.6% on the day to close near 2.6570, remaining though within distance from a record peak around 2.7430 hit last week. That said, renewed depreciation pressures on the lira in the sessions ahead are likely in view of domestic political uncertainty ahead of the June general elections. Additionally, the prospect of reemerging political rate-cut pressures on the Central Bank, a resumption of the CBT's monetary easing cycle later this year, ongoing external vulnerabilities and looming Fed hikes do not bode well for the domestic currency either. Elsewhere, the Polish zloty and the Hungarian forint retreated by ca 0.2-0.3% each to 3.996 and 301.5 per euro, respectively, on Tuesday's settlement.

L-T ccy	Credit Ratings		
	Moody's	S&P	Fitch
SERBIA	B1	BB-	B+
ROMANIA	Baa3	BBB-	BBB-
BULGARIA	Baa2	BB+	BBB-
CYPRUS	B3	B+	B-

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

In the **local rate markets**, government bonds closed mixed for the second session running on Tuesday. Turkey's government bonds recovered further ground with the yield of the corresponding 2- and 10-year benchmarks each ending ca 34bps lower at respective levels of 9.70% and 9.07%.

gphoka@eurobank.gr

April 29, 2015

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	2101.98	-0.3%	2.1%	EUR/USD	1.0954	0.6%	-9.5%	UST - 10yr	1.95	3	-22	GOLD	1213	0.9%	2.3%
Nikkei 225	20058.95	0.4%	14.9%	GBP/USD	1.531	0.5%	-1.7%	Bund-10yr	0.16	0	-38	BRENT CRUDE	176	0.0%	0.2%
STOXX 600	405.06	-1.8%	18.3%	USD/JPY	118.88	0.1%	0.7%	JGB - 10yr	0.30	-1	-3	LMEX	2830	1.1%	-2.9%

CESEE MARKETS

SERBIA

Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	534	-4	-457
1-week	5.81	-7	-420
1-month	6.39	-4	-366
3-month	6.94	-4	-291
6-month	7.40	-8	-239

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	8.30	-16	-75
5Y RSD	10.02	-5	-16
7Y RSD	9.94	-29	-214

RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Nov-17	3.72	-4	-54
USD Nov-24	6.44	0	-15

CDS

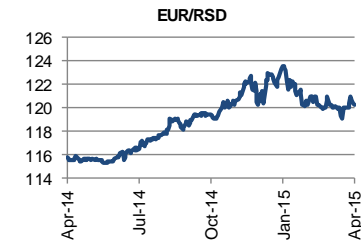
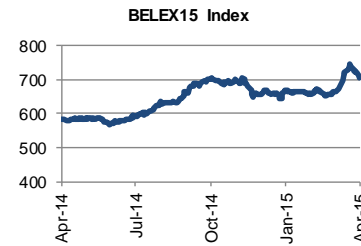
	Last	ΔDbps	ΔYTD bps
5-year	214	-9	-76
10-year	266	-10	-90

STOCKS

	Last	ΔD	ΔYTD
BELEX15	703.6	-0.51%	5.48%

FOREX

	Last	ΔD	ΔYTD
EUR/RSD	120.26	0.12%	0.91%



ROMANIA

Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	2.39	37	182
1-month	1.6	1	69
3-month	1.49	3	-21
6-month	1.65	0	-36
12-month	1.67	0	-35

RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	1.89	0	-42
5Y RON	2.30	0	-41
10Y RON	3.34	0	-32

RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Sep-20	1.35	0	-38
USD Aug-23	3.38	-2	-24

CDS

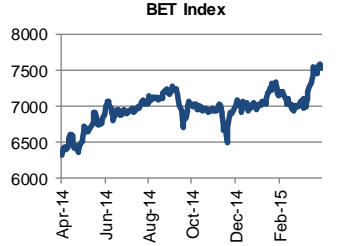
	Last	ΔDbps	ΔYTD bps
5-year	106	-1	-36
10-year	147	-2	-40

STOCKS

	Last	ΔD	ΔYTD
BET	7523.0	-0.83%	6.21%

FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.3765	0.81%	2.44%



BULGARIA

Money Market

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	0.01	0	-1
1-month	0.17	0	-5
3-month	0.34	0	-9
6-month	0.69	0	-10
12-month	1.28	0	-22

BG Local Bonds

(yields)	Last	ΔDbps	ΔYTD bps
3Y BGN	0.50	1	-54
5Y BGN	0.72	1	-72
10Y BGN	1.86	0	-89

BG Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Jul-17	0.76	0	-40
EUR Sep-24	2.26	0	-61

CDS

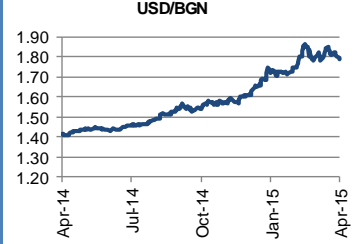
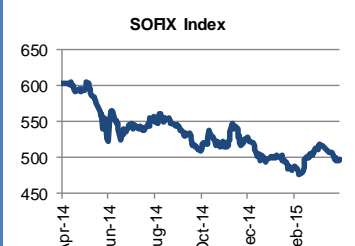
	Last	ΔDbps	ΔYTD bps
5-year	152	0	-39
10-year	201	0	-40

STOCKS

	Last	ΔD	ΔYTD
SOFIX	496.5	0.42%	-4.90%

FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.7854	0.60%	-9.46%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 17.50 EET

Contributors

Paraskevi Petropoulou
G10 Markets Analyst, Eurobank Ergasias
+30 210 3718991
ppetropoulou@eurobank.gr

Galatia Phoka
Research Economist, Eurobank Ergasias
+30 210 3718922
gphoka@eurobank.gr

Ioannis Gkionis (Special Contributor)
Research Economist, Eurobank Ergasias
+30 210 3337305
IGKIONIS@eurobank.gr

Regional Contributors

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

Zoran Korac
FX dealer, Eurobank ad Beograd
+381 11 206 5821
zoran.korac@eurobank.rs

Dorđe Lučić
Fixed Income Dealer, Eurobank a.d. Beograd
+381 11 2065891
djordje.lucic@eurobank.rs

Ivan Radović
Head, Brokerage, Eurobank ad Beograd
+381 11 30 27 533
Ivan.Radovic@eurobank.rs

Bogdan Radulescu, CFA
Senior Trader, Bancpost
+40 21 3656291
bogdan.radulescu@bancpost.ro

Eurobank Economic Analysis and Financial Markets Research

Dr. Platon Monokroussos: Group Chief Economist
pmonokroussos@eurobank.gr, + 30 210 37 18 903

Research Team

Anna Dimitriadou: Economic Analyst
andimitriadou@eurobank.gr, + 30 210 37 18 793

Ioannis Gkionis: Research Economist
igkionis@eurobank.gr + 30 210 33 71 225

Stylios Gogos: Economic Analyst
sgogos@eurobank.gr + 30 210 33 71 226

Olga Kosma: Economic Analyst
okosma@eurobank.gr + 30 210 33 71 227

Arkadia Konstantopoulou: Research Assistant
arkonstantopoulou@eurobank.gr + 30 210 33 71 224

Paraskevi Petropoulou: G10 Markets Analyst
ppetropoulou@eurobank.gr, + 30 210 37 18 991

Galatia Phoka: Research Economist
gphoka@eurobank.gr, + 30 210 37 18 922

Theodoros Stamatou: Senior Economist
tstamatou@eurobank.gr, + 30 210 33 71 228

Global Markets Sales

Nikos Laios: Head of Treasury Sales
nlaios@eurobank.gr, + 30 210 37 18 910

Alexandra Papathanasiou: Head of Institutional Sales
apapathanasiou@eurobank.gr, + 30 210 37 18 996

John Seimenis: Head of Corporate Sales
yseimenis@eurobank.gr, + 30 210 37 18 909

Achilleas Stogioglou: Head of Private Banking Sales
astogioglou@eurobank.gr, + 30 210 37 18 904

George Petrogiannis: Head of Shipping Sales
gpetrogiannis@eurobank.gr, + 30 210 37 18 915

Vassilis Gioulbaxiotis: Head Global Markets International
vgioulbaxiotis@eurobank.gr, + 30 210 37 18 995

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

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>

