



DAILY OVERVIEW

OF GLOBAL MARKETS & THE SEE REGION

Wednesday, March 30, 2016

KEY UPCOMING DATA & EVENTS THIS WEEK

GLOBAL US

- March 28: Personal income & spending (Feb)
- March 29
 - Case Shiller house price index (Jan)
 - Conference Board consumer confidence (Mar)
- March 30: ADP employment report (Mar)
- March 31
 - Jobless claims (weekly)
 - Chicago PMI (Mar)
- April 1
 - Non-farm payrolls (Mar)
 - ISM index manuf. (Mar)

EUROZONE

- March 29: M3 money supply (Feb)
- March 30: Economic sentiment indicator (Mar)
- March 31: CPI (Mar, prel.)
- April 1: PMI manuf. (Mar,f.)

GREECE

- March 31: Turnover index in retail trade (Jan)

SEE

BULGARIA

- March 31-April 1: Budget balance (Feb)

ROMANIA

- March 28: 3.25% 2021 T-Bonds auction
- March 31: MPC meeting
- April 1: International Reserves (Mar)

SERBIA

- March 31
 - Trade Balance (Feb)
 - Retail sales (Feb)
 - Industrial output (Feb)
 - Current account balance (Jan)

Source: Reuters, Bloomberg, Eurobank Research

HIGHLIGHTS

WORLD ECONOMIC & MARKET DEVELOPMENTS

GLOBAL MARKETS: The majority of global equity markets were firmer in early trade on Wednesday, US Treasuries moved higher and the US dollar lost ground across the board on the back of Fed Chair Janet Yellen's dovish comments which prompted a downward shift in short-term FOMC rate hike expectations.

GREECE: As was publicly acknowledged by Government spokesperson Olga Gerovasili yesterday, the government is requested to adopt measures worth up to 3%-of-GDP in terms of net fiscal impact (or €5.4bn) to cover a projected fiscal gap for the period between FY-2016 and FY-2018, as part of the conditionality for the completion of the 1st programme review. On the data front, recent Bank of Greece data showed that euro-denominated deposits & repos of domestic households and non-financial corporations in Greek MFIs excluding the Bank of Greece (BoG) dropped in February by €0.5bn MoM coming in at €121.7bn.

DISCLAIMER

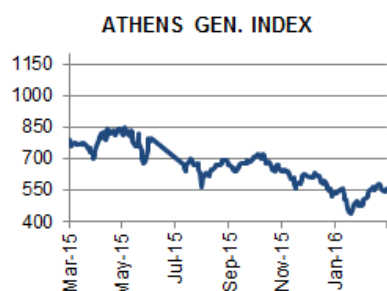
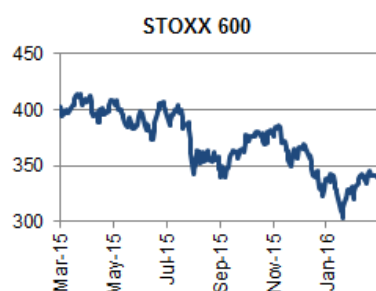
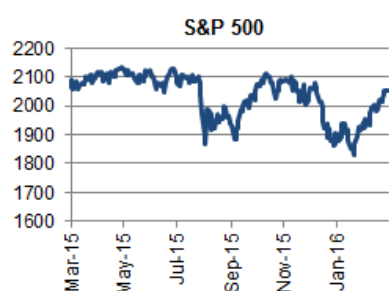
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March 30, 2016

Latest world economic & market developments

GLOBAL MARKETS

The majority of global equity markets were firmer in early trade on Wednesday, US Treasuries moved higher and the US dollar lost ground across the board on the back of Fed Chair Janet Yellen's dovish comments which prompted a downward shift in short-term FOMC rate hike expectations. Addressing the Economic Club of New York yesterday, the Fed Chair stressed that weak global growth, low oil prices and uncertainty about China's growth prospects imply that the Fed should proceed with a more cautious path, than was previously communicated, in lifting interest rates. In her first speech since the March FOMC policy meeting, the Fed Chair also warned that it is too early to assess whether the recent increase in US inflation will prove lasting against the backdrop of looming global risks. On the view that the Fed will not probably rush to push interest rates higher, the 2-yr Treasury yield was hovering around a one-month low of 0.784% in European trade at the time of writing while the 10-yr note was yielding levels around 1.819%, not far from a four-week closing low of 1.80% recorded in the prior session. In FX markets, the DXY index was standing close to 94.850. 1.4% lower compared to Wednesday's session high ahead of the FOMC Chair's speech. Looking at today's calendar, focus is on the US' ADP employment report. In addition, Chicago Fed President Charles Evans will speak about the US economy and monetary policy at a Forecasters Club of New York.



Source: Reuters, Bloomberg, Eurobank Research

GREECE

As was publicly acknowledged by Government spokesperson Olga Gerovasili yesterday, the government is requested to adopt measures worth up to 3%-of-GDP in terms of net fiscal impact (or €5.4bn) to cover a projected fiscal gap for the period between FY-2016 and FY-2018, as part of the conditionality for the completion of the 1st programme review. She also clarified that the planned overhaul of the social security pension system is projected to yield 1%-of-GDP, a further 1%-of-GDP is anticipated to be secured from the income tax code reform and the remaining 1%-of-GDP from indirect taxes. On the issue, during a debate in a parliamentary committee yesterday, Alternate Finance Minister Giorgos Houliarakis said that if budgetary revenues turn out higher than expected, then a number of these fiscal measures may not have to be implemented. Meanwhile, in an interview to a German daily newspaper, the Economic Counselor and Director of the IMF's Research Department Maurice Obstfeld argued that there can be "some flexibility" in Greece's short-term fiscal targets due to the impact of the refugee crisis noting though the importance of the implementation of the agreed structural reforms. On the data front, recent Bank of Greece data showed that euro-denominated deposits & repos of domestic households and non-financial corporations in Greek MFIs excluding the Bank of Greece (BoG) dropped in February by €0.5bn MoM coming in at €121.7bn. Government deposits edged up by €35mn while total domestic residents' deposits were reduced by €506mn at €131.7bn. Separately, credit to domestic non-MFIs residents by domestic MFIs excluding the Bank of Greece, shrunk in February by 4.8%YoY, the 57th consecutive monthly decline on an annual basis.

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March 30, 2016

GLOBAL MARKETS

Stock markets	FOREX	Government Bonds	Commodities													
<table border="1"> <thead> <tr> <th></th> <th>Last</th> <th>ΔD</th> <th>ΔYTD</th> </tr> </thead> <tr> <td>S&P 500</td> <td>2033.85</td> <td>-0.1%</td> <td>-0.5%</td> </tr> <tr> <td>Nikkei 225</td> <td>17134.37</td> <td>0.8%</td> <td>-10.0%</td> </tr> <tr> <td>STOXX 600</td> <td>335.10</td> <td>-1.5%</td> <td>-8.4%</td> </tr> </table>		Last	ΔD	ΔYTD	S&P 500	2033.85	-0.1%	-0.5%	Nikkei 225	17134.37	0.8%	-10.0%	STOXX 600	335.10	-1.5%	-8.4%
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 | | Last | ΔD | ΔYTD | |---------|--------|-------|-------| | EUR/USD | 1.1214 | 0.4% | 3.3% | | GBP/USD | 1.4246 | 0.8% | -3.3% | | USD/JPY | 113.27 | -0.2% | 6.0% | | | (yields) | Last | ΔDbps | ΔYTD bps | |------------|-------|-------|----------| | UST - 10yr | 1.87 | -3 | -40 | | Bund-10yr | 0.18 | 0 | -45 | | JGB - 10yr | -0.08 | 1 | -35 | | | | Last | ΔD | ΔYTD | |-------------|------|-------|-------| | GOLD | 1220 | 0.3% | 15.0% | | BRENT CRUDE | 40 | -1.2% | 7.2% | | LME X | 2289 | -0.4% | 3.9% | |

CESEE MARKETS

SERBIA

Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	287	2	-16
1-week	2.97	1	-22
1-month	3.09	-2	-42
3-month	3.26	-5	-57
6-month	3.53	-3	-50

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	3.49	#N/A	N/A
5Y RSD	5.30	0	17
7Y RSD	7.25	4	-45

RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Nov-17	3.17	4	1
USD Nov-24	6.20	1	-21

CDS

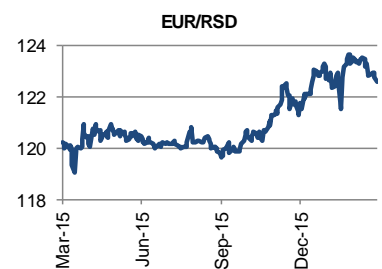
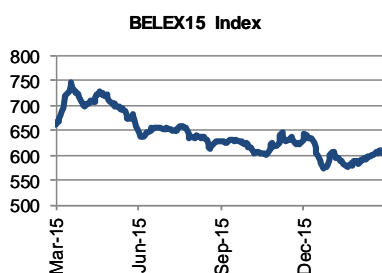
	Last	ΔDbps	ΔYTD bps
5-year	290	30	15
10-year	333	-1	-6

STOCKS

	Last	ΔD	ΔYTD
BELEX15	604.6	-0.70%	-6.13%

FOREX

	Last	ΔD	ΔYTD
EUR/RSD	122.61	0.18%	-0.84%



ROMANIA

Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	0.42	0	-11
1-month	0.56	-1	-13
3-month	0.78	0	-24
6-month	1.02	0	-32
12-month	1.19	0	-33

RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	1.80	0	-13
5Y RON	2.62	1	-18
10Y RON	3.37	0	-41

RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	2.39	0	-17
USD Jan-24	3.37	0	-41

CDS

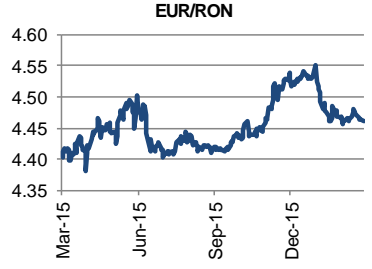
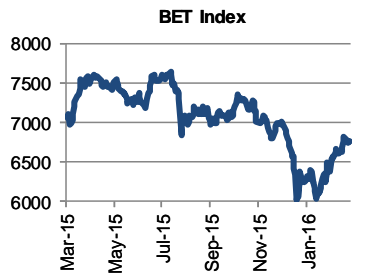
	Last	ΔDbps	ΔYTD bps
5-year	115	0	-18
10-year	163	1	-9

STOCKS

	Last	ΔD	ΔYTD
BET	6752.6	-0.04%	-3.59%

FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.462	0.04%	1.17%



BULGARIA

Money Market

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	0.00	0	-1
1-month	-0.14	0	-29
3-month	-0.03	0	-29
6-month	0.12	0	-41
12-month	0.43	0	-54

BG Local Bonds

(yields)	Last	ΔDbps	ΔYTD bps
3Y BGN	0.40	-1	-21
5Y BGN	1.03	-8	-24
10Y BGN	2.62	0	-4

BG Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Jul-17	0.05	0	-1
EUR Sep-24	2.37	15	-5

CDS

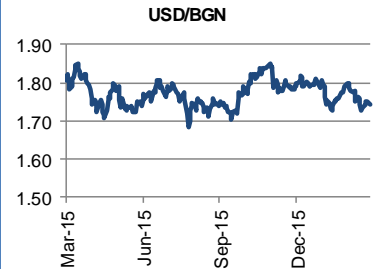
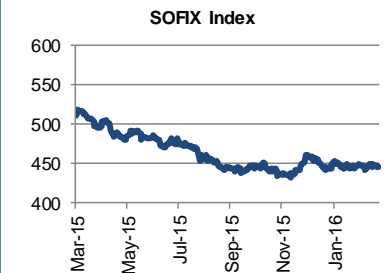
	Last	ΔDbps	ΔYTD bps
5-year	168	2	-3
10-year	218	0	1

STOCKS

	Last	ΔD	ΔYTD
SOFIX	444.3	-0.34%	-3.60%

FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.7442	0.42%	3.22%



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

Data updated as of 18:10 EET Wednesday, March 30, 2016

March 30, 2016

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