



DAILY OVERVIEW

OF GLOBAL MARKETS & THE SEE REGION

Tuesday, April 19, 2016

KEY UPCOMING DATA & EVENTS THIS WEEK

GLOBAL US

- April 18: NAHB index (Apr)
- April 19
 - Housing starts (Mar)
 - Housing permits (Mar)
- April 20: Existing home sales (Mar)
- April 21
 - Initial jobless claims
 - Philly Fed (Apr)

EUROZONE

- April 20: ZEW index (Apr)
- April 21
 - ECB policy meeting
 - Consumer confidence (Apr)
- April 22
 - PMI manuf. (Apr)
 - PMI services (Apr)

GREECE

- April 19:
 - Mission heads expected to return to Athens
 - Turnover index in Industry (Feb)
- April 22: Eurogroup

SEE ROMANIA

- April 21: 2.5% 2019 T-Bond auction (Feb)
- April 22: Sovereign debt rating review by Moodys

SERBIA

- April 20: CAD (Feb)

Source: Reuters, Bloomberg, Eurobank Research

HIGHLIGHTS

WORLD ECONOMIC & MARKET DEVELOPMENTS

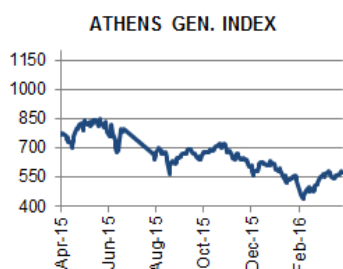
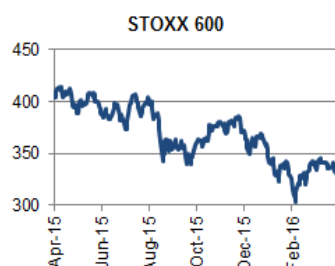
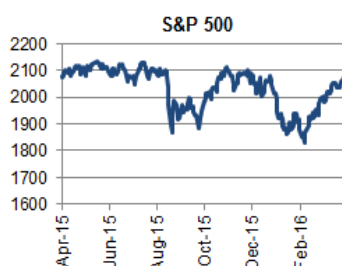
GLOBAL MARKETS: Oil weakness on Monday following news that major oil producers failed to reach an agreement on a plan to freeze global supply at a meeting on Sunday, proved short-lived and oil prices rebounded in European trade on Tuesday. Major sovereign bond yields moved higher while in FX markets commodity related currencies outperformed.

GREECE: The heads of the institutions (EC/ECB/ESM/IMF) are expected to resume discussions with Greek officials today in the context of the 1st programme review. Official lenders are requesting as a condition for the review to close a bundle of “precautionary measures” that will be activated in case the current measures do not produce the expected results. Greece opposes this proposal.

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BULGARIA



Source: Reuters, Bloomberg, Eurobank Research

Latest world economic & market developments

GLOBAL MARKETS

Oil weakness on Monday following news that major oil producers failed to reach an agreement on a plan to freeze global supply at a meeting on Sunday, proved short-lived and oil prices rebounded in European trade on Tuesday. Approaching a multi-month peak of \$44.94/barrel touched near a week earlier, Brent crude was hovering around \$43.33/barrel at the time of writing after hitting temporarily multi-session lows near \$42.90/barrel in the prior session. A labour strike in Kuwait that has reduced daily production by an estimated 60%, attributed to today's rebound in oil prices. In response to higher oil prices, major sovereign bond yields moved higher with the 10-yr Treasury yielding levels around 1.785%, the highest in over two weeks, up from 1.771% on Friday. In FX markets, commodity related currencies outperformed with the AUD/USD trading close to 0.7790/95, within distance from a ten-month peak slightly above 0.7800 hit earlier in the day. Elsewhere, the USD/JPY gained some ground recovering to levels around 108.95/98, having bounced from a one-week low of 107.75 hit on Monday. Renewed market talk over additional BoJ easing measures at the upcoming two-day policy meeting that ends on April 28, also had an impact. In an interview to an international newspaper, BoJ Governor Haruhiko Kuroda was quoted saying that excessive JPY gains could affect the trend in inflation leading to further BoJ easing measures to meet the price target. Looking at today's calendar, focus is on US housing starts and permits for March while the US Q1 corporate reporting diary includes, inter alia Goldman Sachs and Intel Corp.

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GREECE

The heads of the institutions (EC/ECB/ESM/IMF) are expected to resume discussions with Greek officials today in the context of the 1st programme review. In order for the European side and the IMF to bridge their differences regarding the projected primary surplus that Greece can attain in 2018 and beyond, and thus open the way for the Fund's participation in the programme, official lenders have brought forward a proposal for an additional bundle of measures that Greece will have to implement in case the current agreed measures do not produce the expected results. According to press reports, this bundle of "precautionary measures" includes, among others, a decrease in the tax-free threshold, an increase in the VAT on electricity and water bills, a reduction of primary pensions and a reduction in the number and the wages of public sector employees. In addition, the institutions request that these "precautionary measures" as well as a specific timetable for their activation are voted by the Greek parliament now, as a prerequisite for the current review to close. The Greek side, however, seems willing to accept only a general reference to the obligation to implement additional measures if need be and that only after the review has been completed. Taking these developments into consideration, it is rather unlikely that the review will be completed by the April 22nd Eurogroup, where, according to the European Commission's spokesperson Mr. Margaritis Schinas, the aim is to record the achieved progress. On the debt relief front, the Greek government has reportedly presented a new proposal to the official lender which will broadly include a number of interventions that will effectively reduce the interest rates on Greece's loans. This proposal has reportedly been positively received by the IMF and the German Minister of Finance.

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April 19, 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	2094.34	0.7%	2.5%	EUR/USD	1.133	0.2%	4.4%	UST - 10yr	1.78	1	-49	GOLD	1243	0.8%	17.1%
Nikkei 225	16874.44	3.7%	-11.3%	GBP/USD	1.4319	0.3%	-2.8%	Bund-10yr	0.16	0	-47	BRENT CRUDE	44	1.8%	17.1%
STOXX 600	346.29	0.6%	-5.3%	USD/JPY	109.08	-0.2%	10.1%	JGB - 10yr	-0.12	-1	-39	LMEX	2306	0.7%	4.7%

CESEE MARKETS

SERBIA

Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	286	-1	-17
1-week	2.97	-1	-22
1-month	3.10	-2	-41
3-month	3.28	0	-55
6-month	3.54	0	-49

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	3.43	-1	-16
5Y RSD	5.29	0	16
7Y RSD	7.08	0	-61

RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Nov-17	3.00	-1	-16
USD Nov-24	6.23	0	-18

CDS

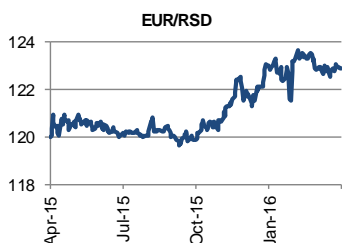
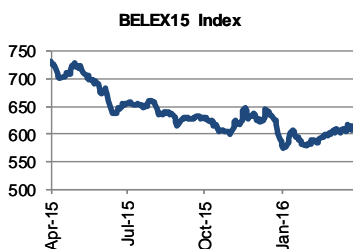
	Last	ΔDbps	ΔYTD bps
5-year	272	9	-2
10-year	307	306	-32

STOCKS

	Last	ΔD	ΔYTD
BELEX15	610.6	-0.43%	-5.19%

FOREX

	Last	ΔD	ΔYTD
EUR/RSD	122.85	0.04%	-1.03%



ROMANIA

Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	0.42	0	-11
1-month	0.58	0	-11
3-month	0.78	0	-24
6-month	1.02	0	-32
12-month	1.17	0	-35

RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	1.79	0	-14
5Y RON	2.62	-1	-18
10Y RON	3.49	0	-29

RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	2.34	1	-23
USD Jan-24	3.34	1	-44

CDS

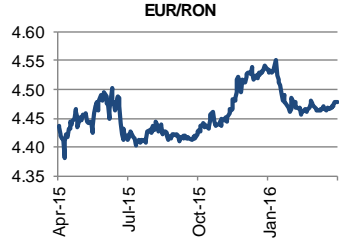
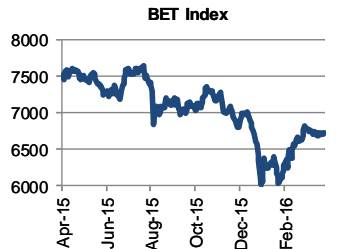
	Last	ΔDbps	ΔYTD bps
5-year	122	-7	-11
10-year	166	-7	-6

STOCKS

	Last	ΔD	ΔYTD
BET	6637.5	0.22%	-5.24%

FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.4783	0.04%	0.80%



BULGARIA

Money Market

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	-0.40	0	-41
1-month	-0.17	0	-32
3-month	-0.05	0	-31
6-month	0.10	0	-43
12-month	0.43	0	-54

BG Local Bonds

(yields)	Last	ΔDbps	ΔYTD bps
3Y BGN	0.36	1	-24
5Y BGN	1.10	1	-17
10Y BGN	2.51	0	-15

BG Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Jul-17	0.09	-2	2
EUR Sep-24	2.28	2	-14

CDS

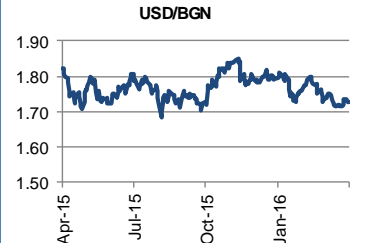
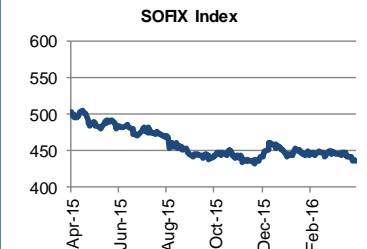
	Last	ΔDbps	ΔYTD bps
5-year	162	-1	-9
10-year	209	-1	-7

STOCKS

	Last	ΔD	ΔYTD
SOFIX	434.3	-0.19%	-5.77%

FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.7264	0.14%	4.28%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 11:00 EEST, April 19, 2016

April 19, 2016

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