

KEY UPCOMING DATA & EVENTS THIS WEEK

GLOBAL

US

- June 28
 - GDP (3rd est, Q1 2016)
 - CB Consumer confidence (Jun)
- June 29
 - Personal income/spending (May)
 - Core PCE deflator (May)
 - Pending home sales (May)
- June 30
 - Jobless claims (weekly)
 - Chicago PMI (May)
- July 1: ISM manuf (Jun)

EUROZONE

- June 28/29: EU Summit
- June 30: HICP (flash, Jun)
- July 1: PMI manuf (f, Jun)

GREECE

- June 29: Economic Sentiment (Jun)
- June 30
 - PPI (May)
 - Retail trade (Apr)
- July 1: PMI (Jul)

SEE

ROMANIA

- June 27: RON 500mn 2.5% 2019 T-bonds auction
- June 28: CB Deputy Governor speaks
- July 1
 - ILO U/E rate (May)
 - International reserves (Jun)

SERBIA

- June 30
 - Trade balance (May)
 - Retail sales (May)
 - IP (May)
- July 1: Sovereign credit rating review by S&P

Source: Reuters, Bloomberg,
Eurobank Research

HIGHLIGHTS

WORLD ECONOMIC & MARKET DEVELOPMENTS

GLOBAL MARKETS: Wall Street firmed overnight on better than expected US economic data. Taking solace from Wall Street gains, major Asian equity indices closed in the black on Wednesday and most European bourses joined the global equity rebound in the early trade. US Treasuries and EMU sovereign 10yr yields fell amid improved risk sentiment and better-than-expected economic releases, with the 10yr Spanish yield dropping by ca. 8 bps to 1.26% on Wednesday, the lowest level since April 2015. In FX markets, despite risk-on sentiment the Japanese yen strengthened on Wednesday, while the GBP/USD was hovering around levels of 1.3377/78 at the time of writing, above a 31-year low of 1.3122 hit on Monday. Market's focus centres on the two-day EU Summit which concludes later in the day. On the data front, US personal income and spending for May are due later in the day, while, in the Euro area, Economic Sentiment Indicator for June will also be closely scrutinized by market participants.

GREECE: Pierre Moscovici, European Commissioner for Economic and Financial Affairs reportedly stated that the Greek economy is on the right track but a relaxation of the primary surplus target of 3.5% of GDP beyond 2018 should not be expected. On the immigration front, the European Council issued a statement yesterday, noting that crossings from Turkey to Greece have almost come to a halt and that the legislation adopted recently by Turkey, allows for the return of Syrian and other nationalities' migrants to Turkey in accordance with the Asylum Procedures Directive.

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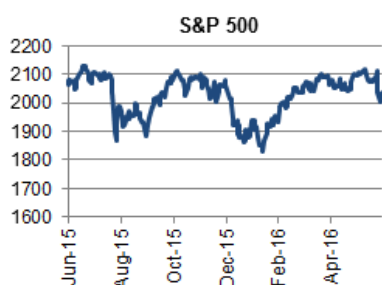
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Latest world economic & market developments

GLOBAL MARKETS

Wall Street firmed overnight on better than expected US economic data. In more detail, the third estimate of Q1 GDP revised growth upwardly to 1.1%QoQ saar from the prior estimate of 0.8%QoQ saar. Private consumption was unexpectedly revised down to 1.5%QoQ saar from 1.9%QoQ, while nonresidential fixed investment (mainly due to a rebound in intellectual property investment to 4.4%QoQ saar from -0.1% previously) and net exports (+0.1pps boost to growth from a drag of -0.2pps in the prior estimate) revealed a more positive picture than the one in the second estimate. Furthermore, Conference Board Consumer Confidence Index jumped to 98.0 in June from 92.4 in May, its highest level since last October. Taking solace from Wall Street gains, major Asian equity indices closed in the black on Wednesday and most European bourses joined the global equity rebound in the early trade. US Treasuries fell amid improved risk sentiment and better-than-expected economic releases, with the 10yr Treasury yield rising to 1.46% in early European trade, up from a four-year low of 1.406% hit on Friday. Elsewhere, EMU sovereign 10yr yields fell with the 10yr Spanish yield dropping by ca. 8 bps to 1.26% on Wednesday, the lowest level since April 2015. In FX markets, despite risk-on sentiment the Japanese yen strengthened on Wednesday, with the USD/JPY falling to 102.38/39 in European trade at the time of writing, remaining though well above its 2 1/2-year low of 99.00 hit on Friday. Furthermore, the GBP/USD was hovering around levels of 1.3377/78 at the time of writing, above a 31-year low of 1.3122 hit on Monday. Market's focus centres on the two-day EU Summit which concludes later in the day. On the data front, US personal income and spending for May are due later in the day, while, in the Euro area, Economic Sentiment Indicator for June will also be closely scrutinized by market participants.

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Source: Reuters, Bloomberg, Eurobank Research

GREECE

Pierre Moscovici, European Commissioner for Economic and Financial Affairs reportedly stated that the Greek economy is on the right track but a relaxation of the primary surplus target of 3.5% of GDP beyond 2018 should not be expected. Meanwhile, in an interview in a Greek newspaper, Thomas Wieser, President of the Euroworking Group, focused among others, on the necessity of public administration reform, in and beyond the context of the second review, as a means to establish trust towards public institutions, a critical condition for sustainable economic development. On the immigration front, the European Council issued a statement yesterday, noting that crossings from Turkey to Greece have almost come to a halt and that the legislation adopted recently by Turkey, allows for the return of Syrian and other nationalities' migrants to Turkey in accordance with the Asylum Procedures Directive. In addition, it was acknowledged that more support must be provided to Western Balkan countries to fight smugglers and prevent the use of alternative routes, while further action is required to accelerate the implementation of existing relocation and resettlement schemes.

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June 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	2036.09	1.8%	-0.4%	EUR/USD	1.107	0.0%	2.0%	UST - 10yr	1.47	1	-80	GOLD	1320	0.6%	24.4%
Nikkei 225	15566.83	1.6%	-18.2%	GBP/USD	1.3388	0.3%	-9.1%	Bund-10yr	-0.11	0	-74	BRENT CRUDE	49	1.0%	31.7%
STOXX 600	321.93	1.7%	-12.0%	USD/JPY	102.5	0.3%	17.1%	JGB - 10yr	-0.23	-2	-50	LMEX	2344	2.3%	6.4%

CESEE MARKETS

SERBIA

Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	299	1	-4
1-week	3.10	1	-9
1-month	3.28	1	-23
3-month	3.53	0	-30
6-month	3.74	0	-29

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	3.25	-4	-34
5Y RSD	5.25	0	13
7Y RSD	5.76	0	-193

RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Nov-17	2.77	-1	-40
USD Nov-24	6.25	0	-17

CDS

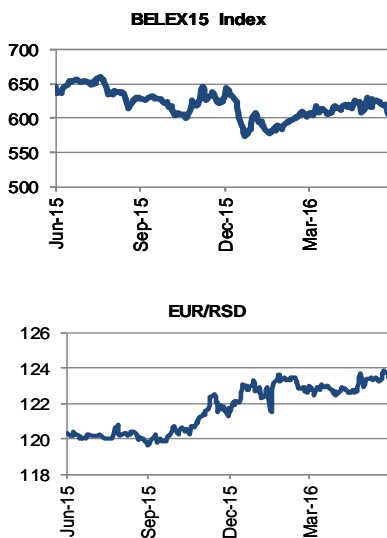
	Last	ΔDbps	ΔYTD bps
5-year	251	0	-24
10-year	292	-1	-47

STOCKS

	Last	ΔD	ΔYTD
BELEX15	602.7	-0.32%	-6.43%

FOREX

	Last	ΔD	ΔYTD
EUR/RSD	123.43	0.06%	-1.50%



ROMANIA

Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	0.5	-3	-3
1-month	0.66	1	-3
3-month	0.83	1	-19
6-month	1.06	-1	-28
12-month	1.22	1	-30

RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	1.83	-1	-10
5Y RON	2.66	-2	-14
10Y RON	3.46	-2	-32

RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	2.47	#N/A	N/A
USD Jan-24	3.37	1	-41

CDS

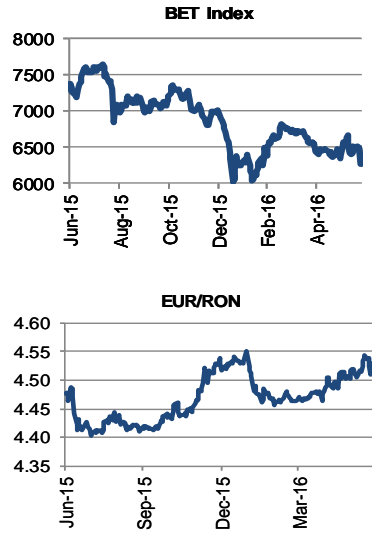
	Last	ΔDbps	ΔYTD bps
5-year	130	-7	-3
10-year	170	-7	-1

STOCKS

	Last	ΔD	ΔYTD
BET	6481.0	0.58%	-7.47%

FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.5216	0.08%	-0.17%



BULGARIA

Money Market

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	-0.40	0	-41
1-month	-0.16	-1	-32
3-month	-0.04	-1	-30
6-month	0.12	1	-41
12-month	0.46	1	-51

BG Local Bonds

(yields)	Last	ΔDbps	ΔYTD bps
3Y BGN	0.41	0	-20
5Y BGN	1.17	0	-10
10Y BGN	2.44	0	-22

BG Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Jul-17	0.03	0	-4
EUR Sep-24	2.23	6	-19

CDS

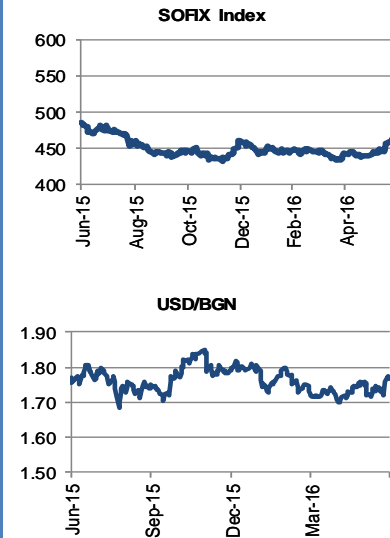
	Last	ΔDbps	ΔYTD bps
5-year	165	-10	-7
10-year	214	-10	-2

STOCKS

	Last	ΔD	ΔYTD
SOFIX	453.2	-0.17%	-1.67%

FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.7671	0.02%	1.88%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 12:00 EEST

June 29, 2016

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