



DAILY OVERVIEW

OF GLOBAL MARKETS & THE SEE REGION

Thursday, March 31, 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: With Fed Chair Janet Yellen's recent dovish comments still in investors' ears, US Treasuries retained a firm tone in European trade on Thursday while the US dollar remained under pressure.

GREECE: After a two-week hiatus due to Catholic Easter holidays, the ECB/IMF/EC/ESM mission heads are expected to return to Athens on Saturday, April 2nd to resume discussions with Greek authorities in the context of the 1st programme review. Official talks are scheduled to commence on April 4th with the intention to reach an agreement on the bulk of the prior actions ahead of the April 7th Euro Working Group or by April 12th-13th, at the latest, when the mission heads are scheduled to depart for the IMF's 2016 Spring Meeting that commences on April 15th in Washington D.C.

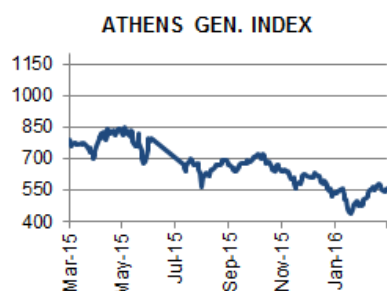
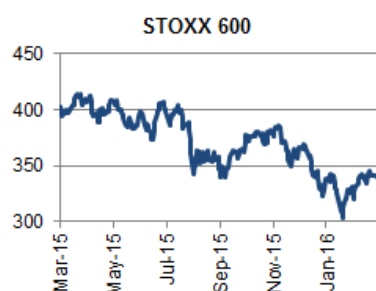
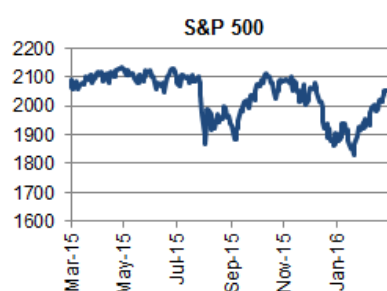
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March 31, 2016

Latest world economic & market developments

GLOBAL MARKETS



Source: Reuters, Bloomberg, Eurobank Research

With Fed Chair Janet Yellen's recent dovish comments still in investors' ears, US Treasuries retained a firm tone in European trade on Thursday while the US dollar remained under pressure. Addressing the Economic Club of New York a couple of days earlier, the Fed Chair noted that weak global growth, low oil prices and uncertainty about China's growth prospects imply that the Central Bank should proceed on a more cautious path, than was previously communicated, in lifting interest rates. Echoing the above comments, Chicago Fed President Charles Evans was quoted saying yesterday that there is a high hurdle to raising interest rates in April when the next FOMC meeting will be held in view of low inflation. Against this backdrop, US Treasury yields were weaker in European trade with long-dated notes outperforming. The 2/10-yr yield curve undertook some bullish flattening with the corresponding spread standing at a two-month low of around 106bps at the time of writing. Elsewhere, the EUR/USD was hovering around 1.1340/45 at the time of writing, close to a six-week peak of 1.1365 recorded in the prior session and not far from the 2016 year-to-date high so far of 1.1375 that was marked in mid-February. European Commission data yesterday showing that the euro area economic sentiment index fell in March for the third consecutive month to 103.0, was broadly shrugged off by FX market participants. In the US, data released yesterday revealed that the economy generated in March 200k new jobs in the private sector, slightly higher compared to the 194k market consensus while the respective figure of the prior month was revised lower to 205k from 214k previously. US jobless claims and March Chicago PMI feature high in today's global calendar while NY Fed President William Dudley is scheduled to speak at 21:00GMT.

GREECE

After a two-week hiatus due to Catholic Easter holidays, the ECB/IMF/EC/ESM mission heads are expected to return to Athens on Saturday, April 2nd to resume discussions with Greek authorities in the context of the 1st programme review. Official talks are scheduled to commence on April 4th with the intention to reach an agreement on the bulk of the prior actions ahead of the April 7th Euro Working Group or by April 12th -13th, at the latest, when the mission heads are scheduled to depart for the IMF's 2016 Spring Meeting that commences on April 15th in Washington D.C. Speaking in Parliament last week, Greece's Minister of Finance Euclid Tsakalotos expressed his optimism that a compromise on the key deliverables attached to the review will likely pave the way for the launch of official discussions on debt relief and a consequent agreement on the subject on April 22nd, when the next Eurogroup takes place. According to comments by Eurogroup President Jeroen Dijsselbloem soon after the heads' last departure, official talks had been "productive" and "significant progress" was made on outstanding issues including the planned income tax code reform and the overhaul of the social security pension system, two of the key deliverables for the completion of the review. Nevertheless, a staff level agreement would require the two sides to bridge also their differences, among others, on the operational framework of the new Privatization Fund as well as the outstanding items related to the NPL resolution framework. According to some press reports, the latter represents the main obstacle in official discussions in the context of the current review and a compromise may not be reached in time for the April 22nd Eurogroup.

The Economic Sentiment Indicator for Greece improved in March coming in at 90.1 from 89.0 in the prior month. The breakdown of the report showed that, with the exception of consumer confidence, all indicators improved. The consumer confidence indicator worsened for the third month in a row coming in at -71.9, the lowest since late 2013.

March 31, 2016

GLOBAL MARKETS

Stock markets	FOREX	Government Bonds	Commodities																																																																
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CESEE MARKETS

SERBIA

Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	287	0	-16
1-week	2.97	0	-22
1-month	3.11	2	-40
3-month	3.28	2	-55
6-month	3.54	1	-49

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	3.42	-3	-14
5Y RSD	5.30	0	17
7Y RSD	7.25	0	-44

RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Nov-17	3.13	-1	-3
USD Nov-24	6.20	1	-21

CDS

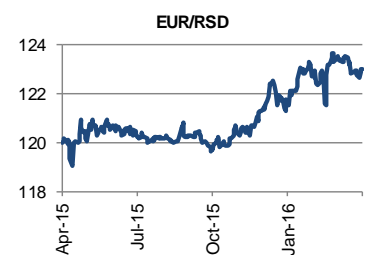
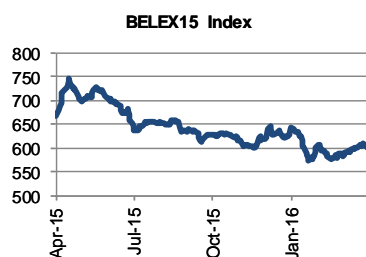
	Last	ΔDbps	ΔYTD bps
5-year	288	-2	14
10-year	335	0	-5

STOCKS

	Last	ΔD	ΔYTD
BELEX15	602.3	-0.38%	-6.49%

FOREX

	Last	ΔD	ΔYTD
EUR/RSD	122.92	-0.03%	-1.08%



ROMANIA

Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	0.42	0	-11
1-month	0.56	0	-13
3-month	0.8	0	-22
6-month	1.03	0	-31
12-month	1.19	0	-33

RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	1.79	0	-14
5Y RON	2.62	0	-18
10Y RON	3.35	-2	-43

RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	2.41	0	-16
USD Jan-24	3.38	-2	-41

CDS

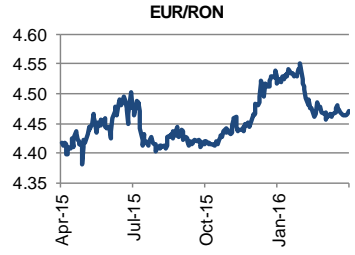
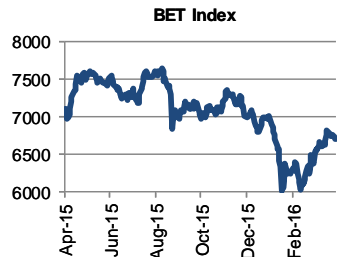
	Last	ΔDbps	ΔYTD bps
5-year	112	-1	-21
10-year	152	-20	-20

STOCKS

	Last	ΔD	ΔYTD
BET	6702.0	-0.15%	-4.32%

FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.4606	0.11%	1.20%



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	0.43	2	-17
5Y BGN	1.13	4	-14
10Y BGN	2.61	0	-4

BG Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Jul-17	0.19	0	12
EUR Sep-24	2.40	-23	-2

CDS

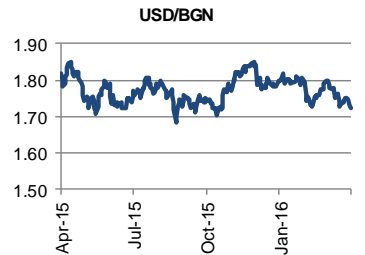
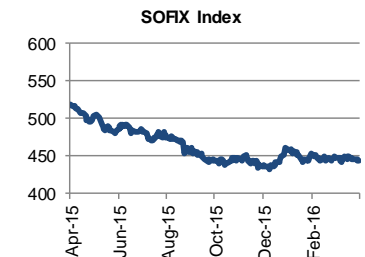
	Last	ΔDbps	ΔYTD bps
5-year	160	-5	-12
10-year	206	-4	-10

STOCKS

	Last	ΔD	ΔYTD
SOFIX	445.2	0.00%	-3.40%

FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.7269	0.31%	4.25%



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

Data updated as of 10:20 EET Thursday, March 31, 2016

March 31, 2016

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