



DAILY OVERVIEW

OF GLOBAL MARKETS & THE SEE REGION

Friday, April 08, 2016

KEY UPCOMING DATA & EVENTS THIS WEEK

GLOBAL

US

- April 5: ISM index (non-manufacturing) (Mar)
- April 6: FOMC minutes from the March 15-16 policy meeting
- April 7: Initial jobless claims

EUROZONE

- April 5: PMI manufacturing (Mar. f.)
- April 7: ECB releases minutes on monetary policy considerations as of March 10

GREECE

- April 4: Official discussions resume in the context of the 1st programme review between the mission heads and the Greek authorities
- April 7
 - Euro Working Group convenes
 - Labour force survey (Jan.)
 - Commercial transactions (Feb. prov.)

SEE

BULGARIA

- April 8
 - Retail Sales (Feb)
 - Industrial Production (Feb)
- April 9: Unemployment Rate (March)

ROMANIA

- April 4: Producer's Price Index (Feb)
- April 5: Retail Sales (Feb)
- April 6: Net Wages (Feb)
- April 8: GDP (SA, Q4)

SERBIA

- April 7
 - NBS policy meeting
 - Producer's Price Index (Feb)

Source: Reuters, Bloomberg, Eurobank Research

HIGHLIGHTS

SOUTH EASTERN EUROPE

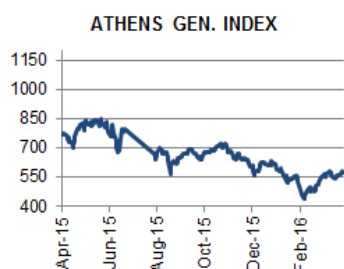
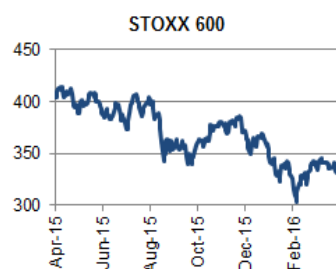
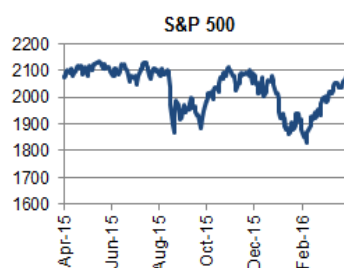
ROMANIA: The Ministry of Finance sold at an auction on Thursday RON345.8mn, against RON300mn initially planned, of 10 Year bonds at an average accepted yield of 3.38%, the same achieved at a prior tender of the same maturity paper on March 24th.

SERBIA: The National Bank of Serbia (NBS) stayed put on its monetary policy at its meeting yesterday, maintaining the key benchmark rate at the record low level of 4.25% for the second month running.

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April 8, 2016

BULGARIA

Source: Reuters, Bloomberg, Eurobank Research

Latest world economic & market developments in the CESEE region

ROMANIA

The Ministry of Finance sold at an auction on Thursday RON345.8mn, against RON300mn initially planned, of 10 Year bonds at an average accepted yield of 3.38%, the same achieved at a prior tender of the same maturity paper on March 24th. The amount of total bids came at RON 718mn, bringing the bid-to-cover ratio at 2.1.

igkionis@eurobank.gr**SERBIA**

The National Bank of Serbia (NBS) stayed put on its monetary policy at its meeting yesterday, maintaining the key benchmark rate at the record low level of 4.25% for the second month running. The decision follows February's largely unexpected 25bps cut, the first since October 2015, which came on the heels of 750bps of monetary easing since May 2013. Inflation has remained below the 4.0 ± 1.5 target for two years now in view of low global commodity prices, a restrictive fiscal policy and a negative output gap. In February, headline CPI stood at 1.5%YoY, while the core index came in at 1.6%YoY. Although these factors argue in favour of another rate cut, we – in line market expectations – anticipated the Central Bank to hold its horses ahead of the upcoming general elections. Fiscal slippage risks and potential delays in the implementation of IMF-backed reforms may exert depreciation pressures on the dinar, which has already lost ground this year. Ahead, some modest rate easing after the polls cannot be ruled out entirely as inflation pressures remain subdued and private consumption continues to be weak. That said, the NBS will likely retain a cautious stance as inflation is expected to gradually rise from mid-year and return within the target tolerance band late this or early next year thanks to the current monetary policy expansiveness and a further pick up in domestic economic activity. Any further decisions will likely be dependent on the aforementioned risks to the country's outlook and their implication on inflation dynamics as well as on the dinar's upcoming performance.

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April 8, 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	2049.90	-0.8%	0.3%	EUR/USD	1.1387	-0.1%	4.9%	UST - 10yr	1.71	-5	-56	GOLD	1240	1.4%	16.8%
Nikkei 225	15749.84	0.2%	-17.3%	GBP/USD	1.4098	-0.2%	-4.3%	Bund-10yr	0.09	-3	-54	BRENT CRUDE	39	-2.0%	4.7%
STOXX 600	328.54	-0.6%	-10.2%	USD/JPY	107.85	1.8%	11.3%	JGB - 10yr	-0.05	1	-32	LMEX	2252	0.2%	2.2%

CESEE MARKETS

SERBIA

Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	287	1	-16
1-week	2.98	1	-21
1-month	3.12	2	-39
3-month	3.28	0	-55
6-month	3.54	0	-49

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	3.41	-5	-18
5Y RSD	5.29	-1	17
7Y RSD	7.18	0	-51

RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Nov-17	3.06	-4	-10
USD Nov-24	6.23	0	-18

CDS

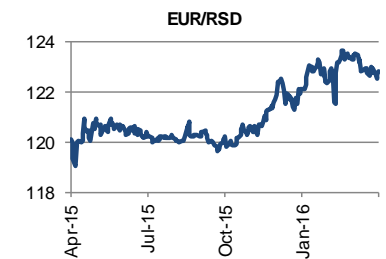
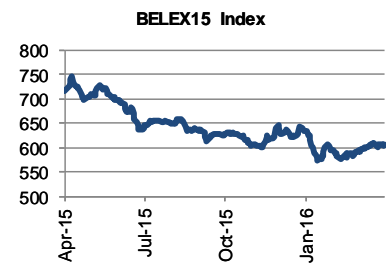
	Last	ΔDbps	ΔYTD bps
5-year	260	-3	-14
10-year	307	1	-32

STOCKS

	Last	ΔD	ΔYTD
BELEX15	618.1	1.76%	-4.03%

FOREX

	Last	ΔD	ΔYTD
EUR/RSD	122.81	-0.13%	-1.00%



ROMANIA

Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	0.43	0	-10
1-month	0.59	-2	-10
3-month	0.77	-1	-25
6-month	1.04	0	-30
12-month	1.19	-1	-33

RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	1.75	-1	-18
5Y RON	2.56	-1	-24
10Y RON	3.36	1	-42

RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	2.39	#N/A	N/A
USD Jan-24	3.30	-3	-48

CDS

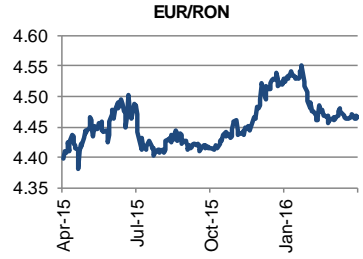
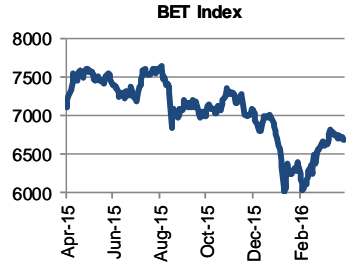
	Last	ΔDbps	ΔYTD bps
5-year	120	2	-13
10-year	163	2	-8

STOCKS

	Last	ΔD	ΔYTD
BET	6720.6	0.41%	-4.05%

FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.4672	0.03%	1.05%



BULGARIA

Money Market

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	0.01	0	0
1-month	-0.14	0	-30
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	0.38	-2	-22
5Y BGN	1.04	-4	-23
10Y BGN	2.53	1	-13

BG Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Jul-17	0.10	-14	3
EUR Sep-24	2.31	43	-12

CDS

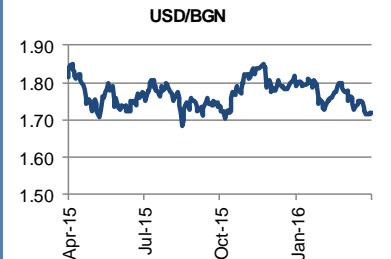
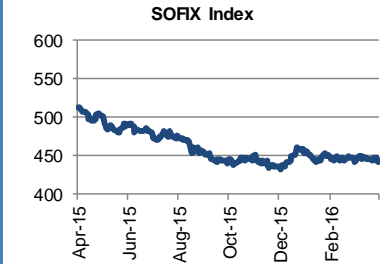
	Last	ΔDbps	ΔYTD bps
5-year	170	3	-2
10-year	217	3	1

STOCKS

	Last	ΔD	ΔYTD
SOFIX	441.2	-0.45%	-4.27%

FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.7179	-0.10%	4.80%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 18:30 EEST, April 7, 2016

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