

# DAILY OVERVIEW OF GLOBAL MARKETS & THE SEE REGION

Monday, December 28, 2015

## KEY UPCOMING DATA & EVENTS THIS WEEK

### GLOBAL

#### US

- December 28: Dallas Fed manufacturing activity (Dec)
- December 29: Conference Board Consumer confidence index (Dec)
- December 30: Pending home sales (Nov)
- December 31
  - Jobless claims (weekly)
  - Chicago Purchasing Manager index (Dec)

#### GREECE

- December 31: Retail sales (Oct)

### SEE

#### BULGARIA

- December 30: Budget balance (Nov)

#### SERBIA

- December 30
  - Industrial production (Nov)
  - Trade balance (Nov)
  - Retail sales (Nov)

Source: Reuters, Bloomberg, Eurobank Research

## HIGHLIGHTS

### WORLD ECONOMIC & MARKET DEVELOPMENTS

**GLOBAL MARKETS:** Most Asian and European stock markets kicked off the last week of the year on a negative footing in thin trade volumes ahead of year end. Downbeat industrial production data for November from China also weighed on investor sentiment. In FX markets, the US dollar was little changed against most major currency peers, though recovered some ground against the Japanese yen following downbeat macroeconomic data from Japan. This week's data and events calendar is reasonably light in the run-up to New Year.

### SOUTH EASTERN EUROPE

**CESEE MARKETS:** Emerging stock markets moved broadly lower in European trade on Monday, trimming part of their recent losses amid mounting concerns over China's growth prospects. A renewed drop in commodity prices earlier today also weighed on related equity. Separately, most **CESEE currencies** were firmer and **government bonds** were mixed earlier on Monday with trade volumes remaining particularly thin ahead of year-end. Looking into this week's **calendar**, industrial production, trade balance and retail sales for November in Serbia lure investor attention on Wednesday. On the same day, Bulgaria releases budget data for November, while on Thursday Poland's preliminary CPI data for December is also worth watching.

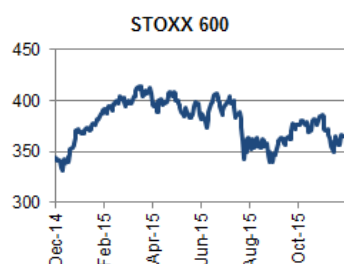
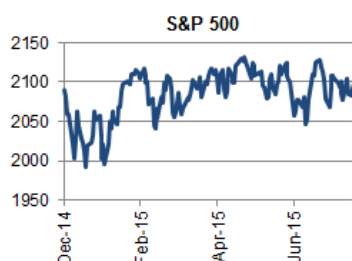
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## Latest world economic & market developments

### GLOBAL MARKETS

Most Asian stock markets kicked off the last week of the year on a negative footing, trading water amid thin trade volumes following the Christmas holiday season and ahead of year end. Downbeat industrial production data for November from China also weighed on investor sentiment. The Japanese Nikkei bucked the negative trend to stand ca 0.8% higher at the session's settlement, largely shrugging off November's weak industrial production and retail sales data, thanks to a modest late last week rebound in crude oil prices from recent multi-year lows. In Europe, most major bourses fell modestly in the wake of last week's Christmas holiday, lacking direction in thin year-end trading. UK stock markets are closed today for the Boxing Day holiday. In FX markets, the US dollar was little changed against most major currency peers, with the DXY index consolidating around 97.930 at the time of writing, not too far from last week's 97.984 settlement. Nonetheless, the greenback recovered some ground against the Japanese yen following downbeat macroeconomic data from Japan, released earlier on Monday, which revived speculation for potential further monetary stimulus by the Bank of Japan ahead. In more detail, the USD/JPY hovered around levels of 120.55 at the time of writing, having rebounded from Friday's 2-month intraday low of 120.02. Elsewhere, the EUR/USD traded near 1.0975 in morning European trade today, little changed from the prior session's settlement. This week's data and events calendar is reasonably light in the run-up to New Year.



Source: Reuters, Bloomberg, Eurobank Research

## Latest world economic & market developments in the CESEE region

### CESEE MARKETS

**Emerging stock markets** moved broadly lower in European trade on Monday, trimming part of their recent losses amid mounting concerns over China's growth prospects. A renewed drop in commodity prices earlier today, which came on the heels of a late last week rebound, also weighed on related equity. Against this backdrop, the broad MSCI Emerging Markets index fell by ca 0.5% to 800.30 points at the time of writing compared to Friday's settlement, snapping a 5-session rising streak and sliding further below from a 2-week peak of 804.06 hit a few days ago. Elsewhere, bourses in the CESEE region were mixed with Turkey's BIST 100 leading the way higher registering daily gains to the tune of 0.7%. At the same time, major indices in Poland, Hungary, Serbia and Ukraine posted modest losses.

Separately, most **CESEE currencies** were firmer and **government bonds** were mixed earlier on Monday with trade volumes remaining particularly thin ahead of year-end. In FX markets, the Hungarian forint broadly outperformed its regional peers. In more detail, the EUR/HUF slid by ca 0.8% to a multisession low of 313.58 at the time of writing vs. Friday's close. Meanwhile, the Serbian dinar followed suit rising to a near 1-month peak of 120.90/EUR in European trade today.

Looking into this week's **calendar**, industrial production, trade balance and retail sales for November in Serbia lure investor attention on Wednesday. On the same day, Bulgaria releases budget data for November, while on Thursday Poland's preliminary CPI data for December is also worth watching.

## 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	2060.99	-0.2%	0.1%	EUR/USD	1.0988	0.1%	-9.2%	UST - 10yr	2.24	0	7	GOLD	1072	-0.3%	-9.5%
Nikkei 225	18873.35	0.6%	8.2%	GBP/USD	1.4916	0.5%	-4.2%	Bund-10yr	0.61	-3	7	BRENT CRUDE	37	-1.9%	-35.1%
STOXX 600	365.03	-0.3%	6.6%	USD/JPY	120.48	-0.2%	-0.7%	JGB - 10yr	0.27	-1	-6	LMEX	2195	-0.4%	-24.7%

## CESEE MARKETS

## SERBIA

## Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	302	-3	-689
1-week	3.19	-3	-682
1-month	3.51	-5	-654
3-month	3.83	-8	-602
6-month	4.04	-5	-575

## RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	3.64	-2	-544
5Y RSD	5.13	0	-506
7Y RSD	7.69	0	-439

## RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Nov-17	3.10	-9	-117
USD Nov-24	6.43	0	-16

## CDS

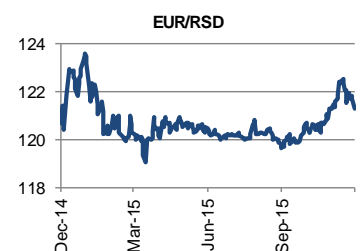
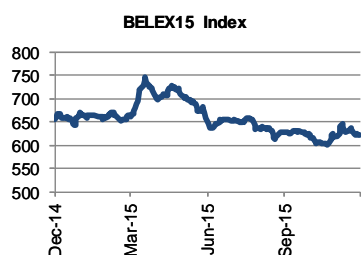
	Last	ΔDbps	ΔYTD bps
5-year	274	0	-16
10-year	339	0	-17

## STOCKS

	Last	ΔD	ΔYTD
BELEX15	622.6	-0.06%	-6.65%

## FOREX

	Last	ΔD	ΔYTD
EUR/RSD	121.21	0.40%	0.11%



## ROMANIA

## Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	0.58	#VALUE!	1
1-month	0.72	#VALUE!	-19
3-month	1.02	#VALUE!	-68
6-month	1.36	#VALUE!	-65
12-month	1.52	#VALUE!	-50

## RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	1.44	0	-87
5Y RON	1.99	0	-72
10Y RON	3.72	-1	6

## RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Sep-20	1.03	0	-70
USD Aug-23	3.72	-1	11

## CDS

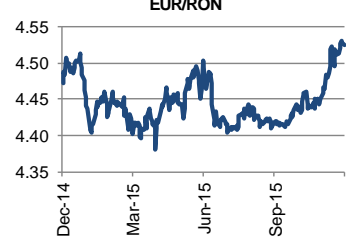
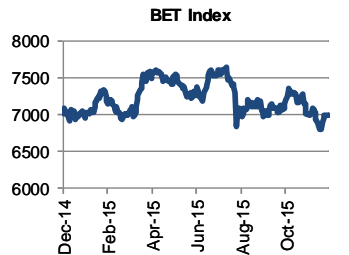
	Last	ΔDbps	ΔYTD bps
5-year	131	-1	-11
10-year	172	-1	-15

## STOCKS

	Last	ΔD	ΔYTD
BET	7002.5	0.22%	-1.14%

## FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.5245	0.12%	-0.91%



## BULGARIA

## Money Market

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	0.01	0	-1
1-month	0.16	0	-6
3-month	0.28	0	-16
6-month	0.53	0	-27
12-month	0.97	0	-53

## BG Local Bonds

(yields)	Last	ΔDbps	ΔYTD bps
3Y BGN	0.00	-26	-103
5Y BGN	0.39	-1	-106
10Y BGN	1.94	0	-81

## BG Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Jul-17	0.17	-5	-99
EUR Sep-24	2.38	54	-48

## CDS

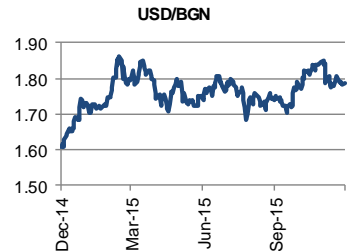
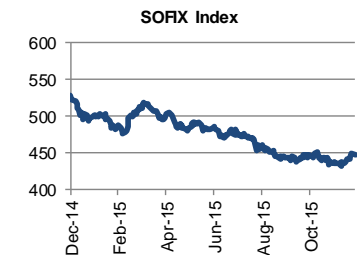
	Last	ΔDbps	ΔYTD bps
5-year	165	-2	-25
10-year	217	-2	-23

## STOCKS

	Last	ΔD	ΔYTD
SOFIX	446.4	-0.38%	-14.50%

## FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.7797	0.12%	-9.17%



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

Data updated as of 13:15 EET

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