

### 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

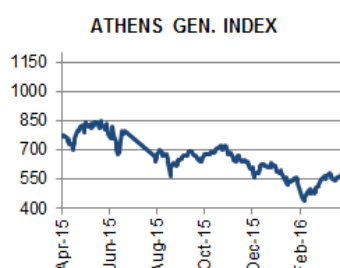
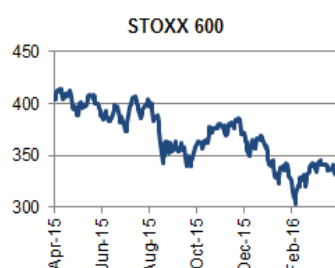
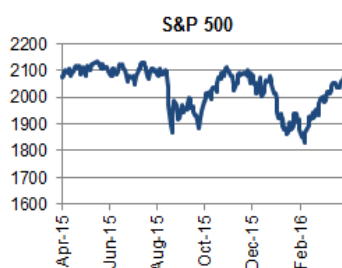
**GLOBAL MARKETS:** Major core government bonds remained under pressure in European trade on the back of higher oil prices. In FX markets, the JPY was among the main underperformers on market talk for additional BoJ easing measures at next week's policy meeting. Elsewhere, the EUR lost some ground following comments by ECB President Mario Draghi during the post-meeting press conference suggesting that the door for additional rate cuts over the coming months is not completely closed.

**GREECE:** An overall assessment of the negotiations between Greece and its official creditors in the context of the 1<sup>st</sup> programme review will be made today at the informal Eurogroup in Amsterdam. If progress is affirmed, another extraordinary Eurogroup may be scheduled towards end-April / beginning May with the aim to reach an agreement as soon as possible thereafter.

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## BULGARIA



Source: Reuters, Bloomberg, Eurobank Research

## Latest world economic & market developments

### GLOBAL MARKETS

The Brent crude extended its recent gains hovering around \$44.9/barrel at the time of writing, the highest since late November 2015 following the International Energy Agency's announcement that the current year is expected to witness the biggest drop in non-OPEC oil production in 25 years. In response to higher oil prices, major core government bonds remained under pressure in European trade. The 10-yr US Treasury was trading close to 1.87% at the time of writing, not far from a one-month peak of 1.89% touched in the prior session while the 10-yr Bund bounced to a five-week peak of 0.125%. As expected, the ECB kept its key interest rates stable yesterday and refrained from adopting further stimulus measures while in an official press release it provided a few details about the corporate sector purchase programme (CSPP) which is scheduled to commence in June 2016. Mario Draghi noted that euro area economic recovery proceeds at a moderate, although steady, pace and risks remain tilted to the downside. He acknowledged that broad financing conditions have improved stressing though the Committee is determined to use "all instruments" in its disposal, if needed, signaling that the door for additional rate cuts over the coming months is not completely closed. In FX markets, the EUR lost some ground retreating to levels below 1.1290 against the US dollar earlier today after hitting multi-session highs near 1.1400 on Thursday. A mixed bag of US data released yesterday, was broadly shrugged off. Initial jobless claims unexpectedly fell to the lowest level since November 1973 while the Philly Fed's business conditions index dropped deeper into the negative territory. Elsewhere, the JPY was among the main underperformers on market talk for additional BoJ easing measures at next week's policy meeting.

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### GREECE

An overall assessment of the negotiations between Greece and its official creditors in the context of the 1st programme review will be made today at the informal Eurogroup in Amsterdam. Arriving at the Eurogroup this morning a number of officials made some statements with regard to the state of affairs and the way forward. More specifically, the President of the Eurogroup Mr. Jeroen Dijsselbloem reportedly stated that no deal is to be expected today but if progress is made with regard to the content of the programme and the next steps, then the discussion on debt relief will need to commence. The European Commissioner of Economic Affairs Mr. Pierre Moscovici stated that in his opinion a deal is close and what is of need now is a reliable package of measures that will help economic growth while being economically sustainable and socially just. The Managing Director of the IMF, Mrs. Christine Lagarde was quoted saying that more work is to be done and debt sustainability is to be agreed upon. She also added that Greece and its lenders have made some progress towards an agreement on reforms, but not enough to unlock new loans or start talks on vital debt relief. Meanwhile according to data released yesterday by Eurostat, Greece attained a general government primary surplus of around 0,5%-0,6% of GDP in 2015 in programme terms, significantly improved than the IMF's projection for a primary deficit of 0,6% of GDP, which may have a positive impact for Greece in the ongoing negotiations. With regard to the next steps, if progress is affirmed at today's Eurogroup, another extraordinary Eurogroup may be scheduled towards end-April / beginning May with the aim to reach an agreement as soon as possible thereafter.

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April 22, 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	2091.48	-0.5%	2.3%	EUR/USD	1.1282	-0.1%	3.9%	UST - 10yr	1.85	-1	-42	GOLD	1249	0.1%	17.7%
Nikkei 225	17572.49	1.2%	-7.7%	GBP/USD	1.4355	0.2%	-2.6%	Bund-10yr	0.22	-2	-41	BRENT CRUDE	45	0.8%	20.4%
STOXX 600	348.32	-0.4%	-4.8%	USD/JPY	110.31	-0.8%	8.8%	JGB - 10yr	-0.11	0	-38	LMEX	2377	0.1%	7.9%

## 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	-3	-39
3-month	3.28	-6	-55
6-month	3.55	-7	-48

#### RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	3.37	-3	-18
5Y RSD	5.29	0	16
7Y RSD	7.07	1	-62

#### RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Nov-17	2.94	-1	-22
USD Nov-24	6.23	0	-18

#### CDS

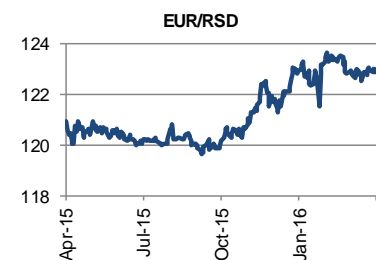
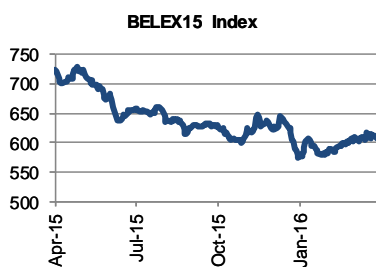
	Last	ΔDbps	ΔYTD bps
5-year	260	-2	-14
10-year	306	0	-33

#### STOCKS

	Last	ΔD	ΔYTD
BELEX15	605.5	0.10%	-6.00%

#### FOREX

	Last	ΔD	ΔYTD
EUR/RSD	122.86	0.00%	-1.04%



### ROMANIA

#### Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	0.41	0	-12
1-month	0.6	-1	-9
3-month	0.78	0	-24
6-month	1.02	0	-32
12-month	1.17	-1	-35

#### RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	1.84	0	-9
5Y RON	2.65	1	-15
10Y RON	3.61	2	-17

#### RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	2.33	#N/A	N/A
USD Jan-24	3.37	1	-42

#### CDS

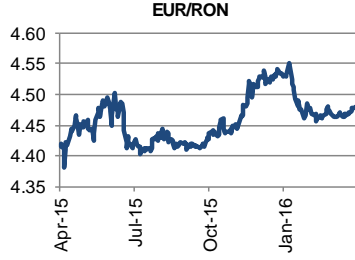
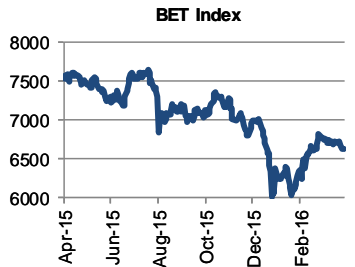
	Last	ΔDbps	ΔYTD bps
5-year	115	0	-18
10-year	158	0	-14

#### STOCKS

	Last	ΔD	ΔYTD
BET	6590.5	0.65%	-5.91%

#### FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.4798	-0.04%	0.76%



### BULGARIA

#### Money Market

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	-0.40	0	-41
1-month	-0.18	0	-33
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	0.37	1	-23
5Y BGN	1.14	2	-14
10Y BGN	2.49	0	-16

#### BG Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Jul-17	0.05	0	-2
EUR Sep-24	2.27	6	-15

#### CDS

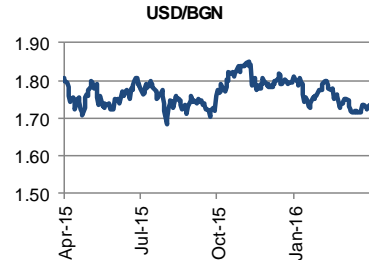
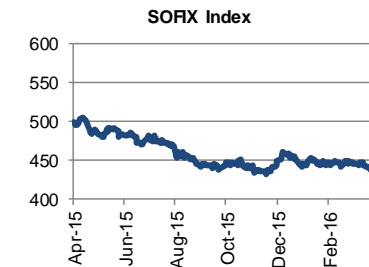
	Last	ΔDbps	ΔYTD bps
5-year	160	-1	-12
10-year	206	-1	-10

#### STOCKS

	Last	ΔD	ΔYTD
SOFIX	435.4	0.26%	-5.54%

#### FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.7338	-0.06%	3.84%



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