



# DAILY OVERVIEW

## OF GLOBAL MARKETS & THE SEE REGION

Wednesday 25 April 2018

### KEY UPCOMING DATA & EVENTS THIS WEEK

#### GLOBAL

##### US

- Apr 23: Existing home sales (Mar)
- April 24
  - CB consumer confidence (Apr)
  - New home sales (Apr)
  - S&P/Case-Shiller Home Price Index (Feb)
- April 26
  - Jobless claims (weekly)
  - Durable goods orders (Mar)
- Apr 27
  - GDP (Q1 2018)
  - Employment cost index (Q1)
  - UM cons/r sentiment (May)

##### EUROZONE

- Apr 23: Eurozone PMIs (Apr)
- April 24: DE: IFO business climate (Apr)
- April 26: ECB policy meeting
- April 27
  - DE: U/E rate (Apr)
  - ESI (Apr)

##### UK

- Apr 27: Q1 GDP

##### GREECE

- April 27: ESI (Apr)

##### SEE

##### BULGARIA

- April 26: Gross external debt (Feb)

##### ROMANIA

- April 23: T-Bonds auction
- April 26: T-Bonds auction

##### SERBIA

- April 24: 4.5% 2023 T-Bonds auction
- April 27: Real wages (Feb)

Source: Reuters, Bloomberg,  
Eurobank Research

## HIGHLIGHTS

### WORLD ECONOMIC & MARKET DEVELOPMENTS

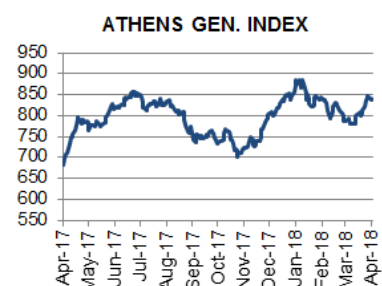
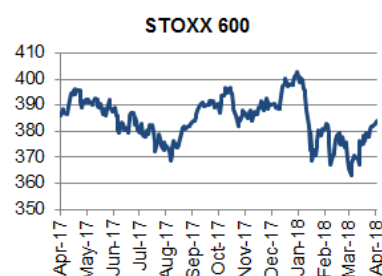
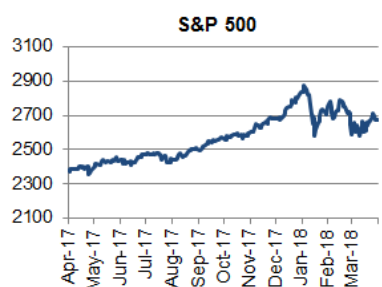
**GLOBAL MARKETS:** US Treasuries remained under pressure amid lingering supply jitters, mounting inflation worries mainly on the back of higher commodity prices and expectations for higher Fed interest rates in the period ahead. The 10-yr yield broke the psychologically important level of 3% rising to 3.020% earlier today, the highest since January 2014. Elsewhere, EMU periphery sovereign bonds remained well supported mainly thanks to the ECB's ongoing asset purchase programme. Italy was among the top performers in spite of the political impasse following the inconclusive outcome of the March election. In FX markets, the USD extended recent gains with the DXY index rising to the highest since mid-January.

**GREECE:** The agenda of the 27 April Eurogroup includes the review of the progress made in the 4<sup>th</sup> programme prior actions, the presentation of Greece's comprehensive growth strategy and a discussion on the technical work on the growth adjustment mechanism for Greece and the post-programme framework. According to the Bank of Greece, in February 2018 travel receipts rose by 12.6%YoY (against -9.9%YoY in February 2017) while the number of inbound visitors rose by 8.9%YoY (against +2.6%YoY in February 2017).

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## Latest world economic & market developments



Source: Reuters, Bloomberg, Eurobank Research

### GLOBAL MARKETS

US Treasuries remained under pressure in European trade on Wednesday amid lingering supply jitters, mounting inflation worries mainly on the back of higher commodity prices and expectations for higher Fed interest rates in the period ahead. The 10-yr yield broke the psychologically important level of 3% rising to 3.02% earlier today, the highest since January 2014 while the 2-yr yield climbed to 2.50%, the highest since September 2008. German Bunds followed suit, albeit to a lesser extent, as investors adopt a cautious tone ahead of Thursday's ECB monetary policy meeting. The ECB is not expected to make any significant changes to the language on future policy guidance while President Mario Draghi is likely to adopt an overall dovish tone in the post-meeting press conference as he is expected to acknowledge the moderation in economic activity over the last few months and persistently subdued underlying inflation pressures. Against this background, the 10-yr US/German yield spread undertook some further widening today rising to a fresh multi-year high close to 238bps. Elsewhere, EMU periphery sovereign bonds remained well supported mainly thanks to the ECB's ongoing asset purchase programme. Italy was among the top performers in spite of the political impasse following the inconclusive outcome of the March election. Italy's President of the Republic Sergio Mattarella handed earlier this week an exploratory mandate to Lower House President Robert Fico. The new round of talks for the formation of a government will likely end up in failure ahead of the 29 April regional election in Friuli Venezia Giulia, as was the case with the previous three rounds of consultations. However, the majority of investors share the view that a mixed government comprising both traditional and anti-establishment parties is a more likely scenario than new elections. In FX markets, the USD extended recent gains with the DXY index rising to 91.117, the highest since mid-January. Today's G10 data calendar is light with no key data releases.

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### GREECE

The agenda of the 27 April Eurogroup includes the review of the progress made in the 4<sup>th</sup> programme prior actions, the presentation of Greece's comprehensive growth strategy and a discussion on the technical work on the growth adjustment mechanism for Greece and the post-programme framework. However, no decision on any of these matters is expected at this stage while a staff level agreement on the 4<sup>th</sup> review will be pursued at the 24 May Eurogroup. This, along with the conclusion of debt discussions, will allow the IMF to decide on whether to activate its Stand-By Arrangement for Greece with funds of around EUR1.6 billion. On the economic data front, according to the Bank of Greece, in February 2018 travel receipts rose by 12.6%YoY (against -9.9%YoY in February 2017) while the number of inbound visitors rose by 8.9%YoY (against +2.6%YoY in February 2017).

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Wednesday 25 April 2018

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	2679.84	0.4%	0.2%	EUR/USD	1.2225	0.1%	1.8%	UST - 10yr	3.00	2	59	GOLD	1326	0.1%	1.8%
Nikkei 225	22278.12	0.9%	-2.1%	GBP/USD	1.3973	0.2%	3.3%	Bund-10yr	0.65	2	23	BRENT CRUDE	75	-0.1%	11.6%
STOXX 600	382.94	-0.1%	-1.6%	USD/JPY	109.15	-0.4%	3.2%	JGB - 10yr	0.06	-1	1	LMEX	3365	-2.7%	-1.6%

SERBIA

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	2.33	-1	-19
1-week	2.44	-1	-17
1-month	2.62	-1	-23
3-month	2.87	-1	-25
6-month	3.07	0	-17

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	3.74	0	-54
5Y RSD	4.09	0	-15
7Y RSD	4.54	0	-64

RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Feb-20	3.66	5	66
USD Nov-24	-21.16	-435	-2124

CDS

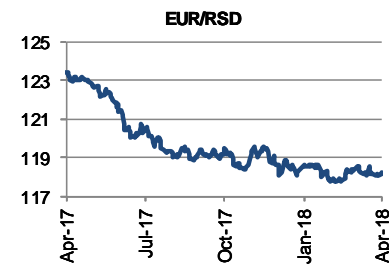
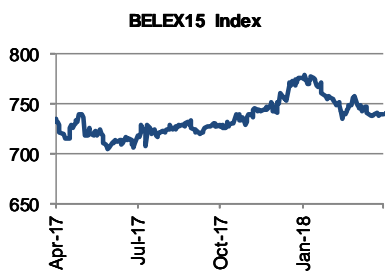
	Last	ΔDbps	ΔYTD bps
5-year	118	8	0
10-year	163	13	1

STOCKS

	Last	ΔD	ΔYTD
BELEX15	741.9	0.26%	-2.35%

FOREX

	Last	ΔD	ΔYTD
EUR/RSD	118.26	-0.69%	0.55%



ROMANIA

Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	2.2	56	111
1-month	2.27	11	40
3-month	2.28	6	23
6-month	2.52	3	25
12-month	2.62	2	30

RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	3.38	0	-1
5Y RON	4.16	0	38
10Y RON	4.52	0	21

RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	1.51	#N/A	N/A
USD Jan-24	3.97	2	97

CDS

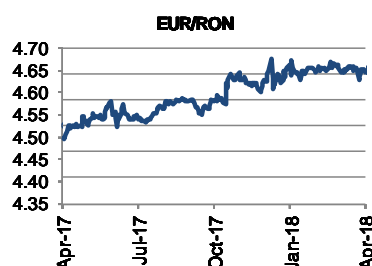
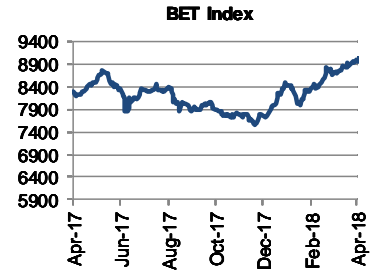
	Last	ΔDbps	ΔYTD bps
5-year	87	1	-3
10-year	132	1	-1

STOCKS

	Last	ΔD	ΔYTD
BET	9001.1	0.49%	16.09%

FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.6537	0.10%	0.24%



BULGARIA

Money Market

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	0.01	0	1
1-month	-0.29	-1	-3
3-month	-0.21	0	-3
6-month	-0.07	0	-2
12-month	0.26	2	-7

BG Local Bonds

(yields)	Last	ΔDbps	ΔYTD bps
3Y BGN	-0.04	1	3
5Y BGN	0.21	2	7
10Y BGN	1.08	0	11

BG Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Mar-22	0.15	0	23
EUR Sep-24	0.78	0	21

CDS

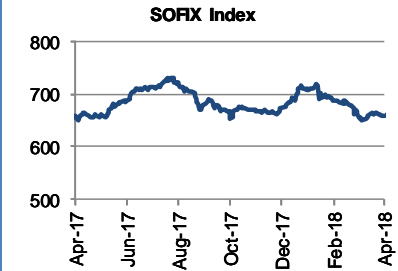
	Last	ΔDbps	ΔYTD bps
5-year	61	-2	-35
10-year	101	-2	-40

STOCKS

	Last	ΔD	ΔYTD
SOFIX	658.7	-0.06%	-2.77%

FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.5997	0.14%	1.86%



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

Data updated as of 16:50 EST of previous session

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