

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

September 24, 2019

Global Markets

Eurozone preliminary PMIs for September disappointed as the Composite PMI fell from 51.9 in August to 50.4, the lowest level since June 2013, suggesting that the economy came close to stalling at the end of Q3 2019. Contraction in the manufacturing sector deepened and activity in the services sector decelerated substantially. Among euro area core economies, Germany appeared to suffer the most from the lingering US/China trade dispute and the continued Brexit uncertainty, as the Composite PMI fell into contractionary territory for the first time since April 2013. Against this background, European government bonds gained sharply and, in FX markets, the EUR/USD weakened, retesting levels slightly below the 1.10 handle ahead of today's Ifo business climate in Germany.

Greece

ECB President Mario Draghi stated that if Greece continues reforms, Greek bonds can be included in QE. According to the BoG, in Jul-19 inbound traveler flows increased by 2.4% (+7.7% in Jul-18) while the average non-resident expenditure per trip in Greece increased by 8.9% (+3.4% in Jul-18), resulting in an increase of total travel receipts by 11.1% (+10.9% in Jul-18). Receipts from non-EA countries within the EU28 recorded the steepest growth (+30%), followed by EA (+7.1%) and non-EU28 countries (+2.7%). For the period Jan-Jul-19 inbound traveler flows rose by just 0.6% but the average non-resident expenditure per trip increased by 13.1% raising total travel receipts by 13.6% (+14.5% in the corresponding period of 2018).

CESEE

On Friday evening, Moody's affirmed the long-term sovereign rating of Cyprus at Ba2 changing the outlook from 'stable' to 'positive'. Moody's is the only agency among the four major ones, which still classifies Cyprus two notches below investment grade. The change in outlook reflects two main factors: Firstly, Cyprus's exposure to event risk continues to decline given ongoing improvements in bank asset quality and secondly, fiscal strength is improving beyond previous expectations. In more detail, policy action by the government and actions by the banks will likely lead to a further large reduction in NPEs over the coming 18 months. In addition, public debt metrics are improving at a faster pace than previously anticipated and from a lower level given the less pronounced impact of the resolution of Cyprus Cooperative Bank.

Contributing Authors

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Ioannis Gkionis
Senior Economist
igkionis@eurobank.gr

GLOBAL MARKETS
Stock markets

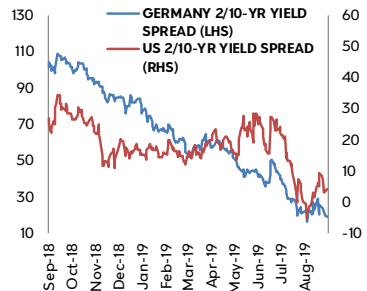
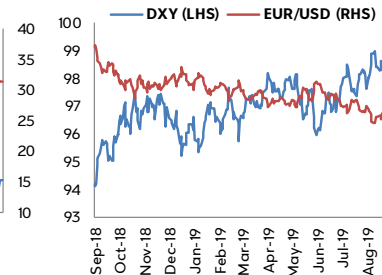
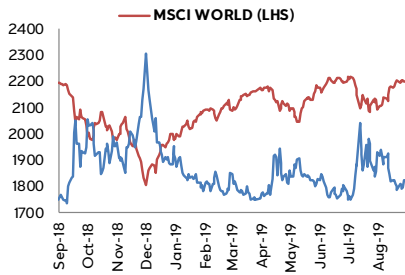
	Last	ΔD	ΔYTD
S&P 500	2991.78	-0.01%	19.3%
Nikkei 225	22098.84	0.1%	10.4%
STOXX 600	389.80	-0.8%	15.4%

FOREX

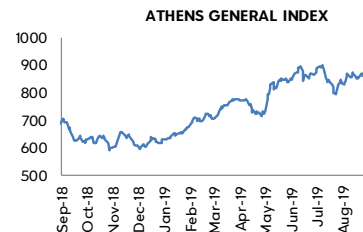
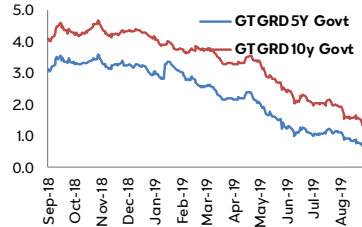
	Last	ΔD	ΔYTD
EUR/USD	1.0993	0.0%	-4.2%
GBP/USD	1.2438	0.1%	-2.5%
USD/JPY	107.55	0.0%	2.0%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.70	-2	-98
Bund-10yr	-0.58	1	-82
JGB - 10yr	-0.24	-3	-24


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.68	0	-250
10Y Bond	1.31	0	-303
Δ(10YBund-10YGGB)	1.89	0	-222


EMERGING MARKETS
Stock markets

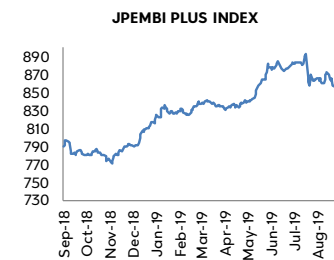
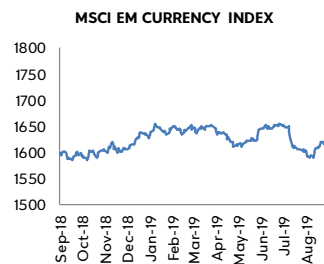
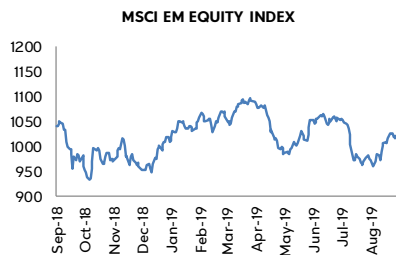
	Last	ΔD	ΔYTD
SOFIX	572.86	-1.1%	-3.6%
BELEX	754.04	-0.2%	-100.4%
XU100	100020.60	-0.2%	958.7%

FOREX

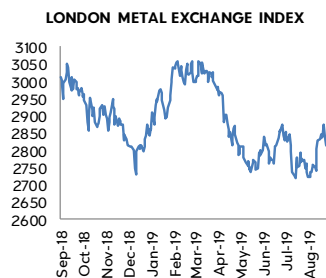
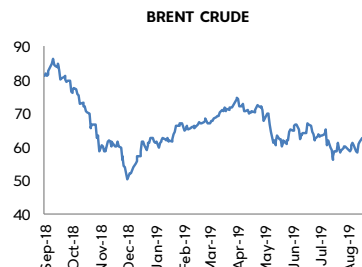
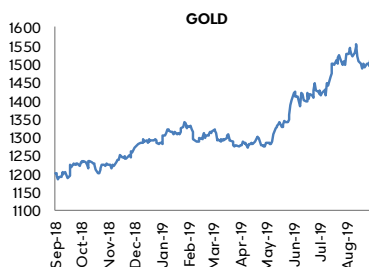
	Last	ΔD	ΔYTD
EUR/PLN	4.3853	0.1%	-2.2%
EUR/RSD	117.567	-0.1%	0.6%
USD/TRY	5.6878	0.5%	-7.0%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.88	-4	-23
BG 8Y yield	0.19	0	-28
PL 10Y yield	2.04	0	-77


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1522	0.0%	18.7%
BRENT CRUDE	64	-0.7%	19.6%
LME X	2810	-0.3%	0.3%



Research Team



Dr. Tasos Anastasatos | Group Chief Economist
tanastasatos@eurobank.gr | + 30 214 40 59 706



Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr
+ 30 210 37 18 793



Ioannis Gkionis
Senior Economist
igkionis@eurobank.gr
+ 30 214 40 59 707



Dr. Stylianos Gogos
Economic Analyst
sgogos@eurobank.gr
+ 30 210 37 18 733



Maria Kasola
Economic Analyst
mkasola@eurobank.gr
+ 30 210 33 18 708



Olga Kosma
Research Economist
okosma@eurobank.gr
+ 30 210 37 18 728



Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr
+ 30 210 37 18 991



Dr. Theodoros Stamatou
Senior Economist
tstamatou@eurobank.gr
+ 30 214 40 59 708



Elia Tsiampaou
Economic Analyst
etsiampaou@eurobank.gr
+ 30 214 40 59 712

Marisa Yiannisis | Administrator
magiannisi@eurobank.gr | + 30 210 33 71 178

More research available at: <https://www.eurobank.gr/en/group/economic-research>
Subscribe electronically at: <https://www.eurobank.gr/el/omilos/oikonomikes-analises...>
Follow us on twitter: https://twitter.com/Eurobank_Group
Follow us on LinkedIn: <https://www.linkedin.com/company/eurobank>

DISCLAIMER

This report has been issued by Eurobank Ergasias S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees. Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

