

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: Following losses in Wall Street overnight led by falling technology shares and energy-related equity which tracked oil prices lower, Asian stock markets were mixed earlier on Thursday, the last day of the year, while European bourses kicked off the session on a negative footing. Trade volumes remained particularly thin as several bourses around the globe are closed for holiday. In FX markets, the US dollar was little changed against major currency peers in European trade today amid subdued trading activity.

SOUTH EASTERN EUROPE

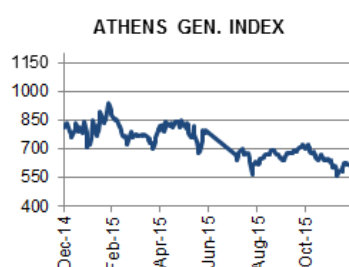
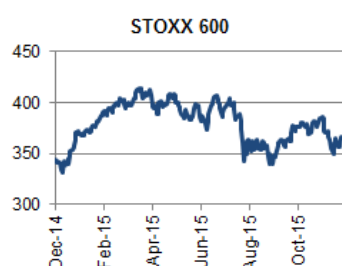
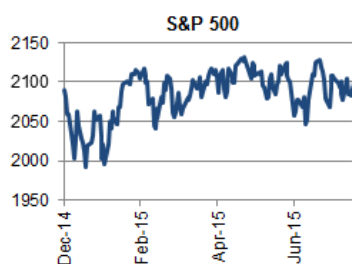
CESEE MARKETS: The majority of emerging stock markets moved broadly higher earlier on Thursday, while CESEE bourses and currencies were mixed at the time of writing in thin trade ahead of year-end and a long holiday weekend.

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Latest world economic & market developments

GLOBAL MARKETS



Source: Reuters, Bloomberg, Eurobank Research

Following losses in Wall Street overnight led by falling technology shares and energy-related equity which tracked oil prices lower, Asian stock markets were mixed earlier on Thursday, the last day of the year, while European bourses kicked off the session on a negative footing. Trade volumes remained particularly thin as several bourses around the globe are closed for holiday. Though ending broadly lower today, Chinese stocks have broadly bucked the negative trend in other Asian stock markets with the Shanghai Composite index posing amongst the region's best performers in 2015. The said index has registered year-to-date gains of nearly 10%, in spite of concerns over the country's macroeconomic prospects and a dire performance last summer. On the flipside, the MSCI Asia-Pacific excluding Japan index is set to end the year with losses to the tune of 12%, weighed down by China-related jitters, higher US interest rates and falling oil prices. With regards to the latter, Brent crude prices have plunged by more than 35% so far in 2015, having hit 11-year lows of \$35.98 bbl last week in view of excess supply, with the said rout in oil prices weighing on related energy stocks. In Europe, despite falling earlier today major stock markets are poised to end 2015 in the black, having received significant support from the ECB's economic stimulus measures. Indicatively, Germany's DAX and France's CAC 40 indices have amassed gains in excess of 9% this year, while the pan-European FTSEurofirst 300 index is on track to end 2015 more than 5% higher.

In FX markets, the US dollar was little changed against other hard currencies in European trade today amid subdued trading activity. That said, the greenback has broadly firmed against most major currency peers in 2015, thanks to diverging monetary policies between the Fed and other major Central Banks globally. In more detail, the DXY index which measures the USD's performance against a basket of six major currencies currently stands ca 9% firmer year-to-date, having hit a 12-year high at 100.510 in early December thanks to expectations for higher US interest rates. The EUR/USD hovered around 1.0919/23 in morning European trade today, relatively flat from yesterday's 1.0929 settlement. That said, the pair remains within distance from an 8-month trough near 1.0538 hit ahead of the last ECB monetary policy outcome announcement on December 3, where the Central Bank announced its decision for further monetary policy accommodation.

Latest world economic & market developments in the CESEE region

CESEE MARKETS

The majority of emerging stock markets moved broadly higher earlier on Thursday, while CESEE bourses and currencies were mixed in thin trade ahead of year-end and a long holiday weekend. The MSCI Emerging Markets index stood ca 0.2% higher at the time of writing, having snapped a 3-session losing streak. Yet, the said index is poised to end the year deep in the red with losses in the tune of approximately 17% as the Fed's monetary policy normalization, falling oil prices and China-related jitters have broadly weighed on investor sentiment towards risky assets. Against this backdrop, emerging market currencies have also been under pressure this year. In the CESEE region, the Ukrainian hryvnia and the Turkish lira pose as the main underperformers. Elsewhere, CESEE local rates markets have presented a rather mixed picture in 2015, with an environment of globally subdued inflationary pressures and low interest rates having favored local currency denominated government bonds in several countries in the region.

December 31, 2015

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	2063.36	-0.7%	0.2%	EUR/USD	1.0914	-0.2%	-9.8%	UST - 10yr	2.29	-1	12	GOLD	1062	0.1%	-10.3%
Nikkei 225	19033.71	0.3%	9.1%	GBP/USD	1.4815	0.0%	-4.9%	Bund-10yr	0.63	0	9	BRENT CRUDE	37	0.5%	-36.1%
STOXX 600	367.10	-0.2%	7.2%	USD/JPY	120.39	0.1%	-0.6%	JGB - 10yr	0.27	0	-6	LMEX	2218	0.1%	-23.9%

CESEE MARKETS

SERBIA

Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	303	1	-688
1-week	3.19	0	-682
1-month	3.51	0	-654
3-month	3.83	1	-602
6-month	4.03	-1	-576

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	3.63	-2	-545
5Y RSD	5.12	0	-506
7Y RSD	7.69	0	-439

RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Nov-17	3.14	1	-112
USD Nov-24	6.41	0	-18

CDS

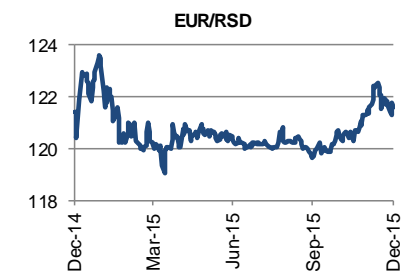
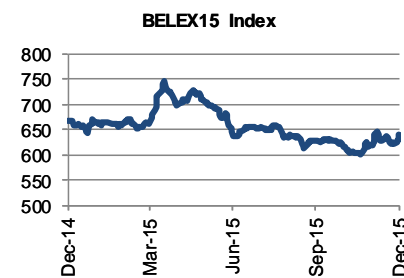
	Last	ΔDbps	ΔYTD bps
5-year	274	0	-16
10-year	339	0	-17

STOCKS

	Last	ΔD	ΔYTD
BELEX15	639.3	1.32%	-4.15%

FOREX

	Last	ΔD	ΔYTD
EUR/RSD	121.55	0.16%	-0.17%



ROMANIA

Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	0.53	-2	-4
1-month	0.69	-1	-22
3-month	1.02	0	-68
6-month	1.34	0	-67
12-month	1.52	0	-50

RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	1.46	1	-85
5Y RON	1.99	0	-72
10Y RON	3.71	0	5

RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Sep-20	1.01	0	-72
USD Aug-23	3.73	1	11

CDS

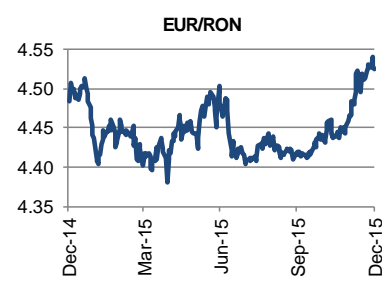
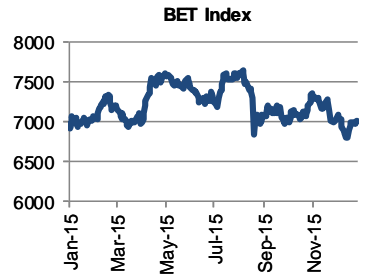
	Last	ΔDbps	ΔYTD bps
5-year	132	4	-11
10-year	170	1	-17

STOCKS

	Last	ΔD	ΔYTD
BET	7004.3	0.34%	-1.11%

FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.5249	0.10%	-0.91%



BULGARIA

Money Market

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	0.01	0	-1
1-month	0.16	1	-6
3-month	0.26	0	-17
6-month	0.53	0	-27
12-month	0.97	0	-53

BG Local Bonds

(yields)	Last	ΔDbps	ΔYTD bps
3Y BGN	0.09	-3	-95
5Y BGN	0.35	1	-109
10Y BGN	1.85	0	-90

BG Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Jul-17	0.07	0	-109
EUR Sep-24	2.42	15	-45

CDS

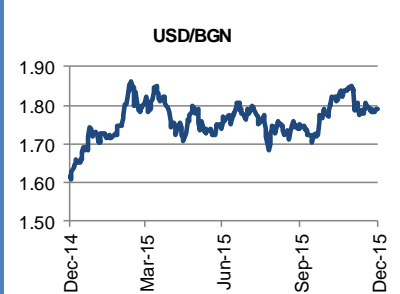
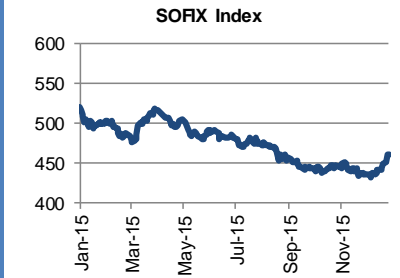
	Last	ΔDbps	ΔYTD bps
5-year	172	0	-19
10-year	218	0	-23

STOCKS

	Last	ΔD	ΔYTD
SOFIX	460.9	0.02%	-11.72%

FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.792	-0.04%	-9.79%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 13:00 EET

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