

KEY UPCOMING DATA & EVENTS THIS WEEK

GLOBAL

- January 22-23: World Economic Forum Annual Meeting in Davos

US

- January 19: NAHB Index (Jan)
- January 20
 - CPI (Dec)
 - Housing starts (Dec)
 - Housing permits (Dec)
- January 21
 - Philly Fed (Jan)
 - Jobless claims (weekly)
- January 22: Existing home sales (Dec)

EUROZONE

- January 20: DE: ZEW (Jan)
- January 21
 - HICP (f, Dec)
 - ECB meeting & press conference
- January 21: PMI manufacturing/ Services (Jan)

GREECE

- January 19: Industry - Turnover Index (Nov)
- January 20: Balance of Payments (Nov)
- January 22
 - Quarterly non-financial sector accounts (Q3 2015)
 - S&P reassess Greek sovereign debt rating

SEE

BULGARIA

- January 18: CAD (Nov)

ROMANIA

- January 21: 5.8% 2027 T-bonds auction
- January 22: Fitch sovereign debt rating review

SERBIA

- January 20: CAD (Nov)

Source: Reuters, Bloomberg, Eurobank Research

HIGHLIGHTS

WORLD ECONOMIC & MARKET DEVELOPMENTS

GREECE: After recording a surplus in the preceding five months (May-October 2015), Greece's current account (CA) balance turned to a deficit of -€1.22bn in November 2015.

SOUTH EASTERN EUROPE

CESEE MARKETS: Emerging stock markets extended their recent downtrend in early European trade on Thursday, after closing deep in the red yesterday as risk sentiment soured anew in tandem with a renewed decline in oil prices. In a similar vein, most **CESEE currencies** consolidated near recent lows. Idiosyncratic factors have also played a key role in the recent CESEE currency performance.

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January 21, 2016

Latest world economic & market developments

GREECE

After recording a surplus in the preceding five months (May-October 2015), Greece's current account (CA) balance turned to a deficit of -€1.22bn in November 2015. On a YoY basis, the CA balance increased by €278.4mn reflecting an improvement in the goods balance, the primary income balance and the secondary income balance by €108.0mn, €301.8mn and €61.2mn respectively. On the flipside, the services balance deteriorated by -€192.6mn due to a -€282.5mn decrease of the transportation balance. For the full year 2015 CA balance is estimated at around -0.5%-of-GDP from -2.1% in 2014.

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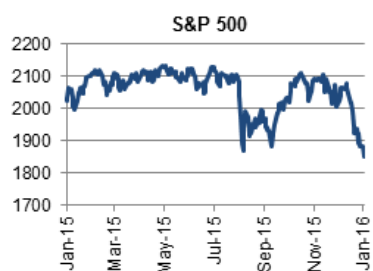
Latest world economic & market developments in the CESEE region

CESEE MARKETS

Emerging stock markets extended their recent downtrend in early European trade on Thursday, after closing deep in the red yesterday as risk sentiment soured anew in tandem with a renewed decline in oil prices. In this context, the MSCI Emerging Markets index shed ca 0.8% on a daily basis at the time of writing, standing near a new 6 ½ year low close to 686.75 points, after ending 3.0% lower in the prior session. The index marks its fifth session in the red out of the last six in a move that brings this week's drop to 3.1% and its year to date losses in excess of 13.0%. CESEE bourses did not manage to escape the latest bout of increased risk aversion unscathed, though seemed to fare better than their global emerging market peers on comparably better economic growth prospects. Along these lines, most regional indices stood little changed in European trade today having recorded losses up to ca 2.0% in the prior session.

In a similar vein, most **CESEE currencies** consolidated near recent lows. Idiosyncratic factors have also played a key role in their recent performance. Indicatively, the Polish zloty hit a 4-year trough near 4.5115/EUR in late Asian trade as concerns over the country's macroeconomic fundamentals have mounted of late. The currency has lost approximately 5.0% of its value against the euro since the beginning of the year weighed down by concerns over the government's policies, such as planned increases in spending. Additionally, recently passed legislation in the ruling-PiS controlled parliament has sparked fears over an increase in the government's power over the Constitutional Court and media and led to an unrepresented inquiry by the European Commission over the country's state of democracy. These developments preceded an unexpected downgrade of Poland's sovereign credit rating by 1-notch to BBB+ with negative outlook late last week, with the agency citing rising concerns over the new government's policies on the independence of Poland's key institutions. Elsewhere, the Turkish lira recovered some ground earlier today, with the USD/TRY pulling back towards 3.0395 at the time of writing, though remaining near yesterday's 4-month high of 3.0620. The Serbian dinar was little changed in European trade today, with the EUR/RSD hovering around levels of 122.80 at the time of writing. Thanks to new Central Bank interventions in the FX markets earlier in the week, the pair has recoiled from a 1-year peak of 123.16 hit on Tuesday after Prime Minister Aleksandar Vucic announced his decision to call snap general elections in a move broadly seen as an effort to strengthen his government's mandate.

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Source: Reuters, Bloomberg, Eurobank Research

January 21, 2016

GLOBAL MARKETS

Stock markets	FOREX	Government Bonds	Commodities																																																																
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CESEE MARKETS

SERBIA

Money Market

BELIBOR	Last	ΔDbps	ΔYTD bps
T/N	292	1	-11
1-week	3.02	1	-17
1-month	3.25	1	-26
3-month	3.45	0	-38
6-month	3.66	1	-37

RS Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RSD	3.51	-2	-6
5Y RSD	5.11	0	-1
7Y RSD	7.79	1	10

RS Eurobonds

	Last	ΔDbps	ΔYTD bps
USD Nov-17	3.22	3	6
USD Nov-24	6.42	0	1

CDS

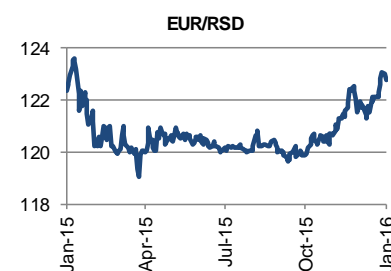
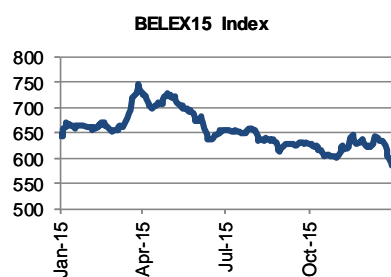
	Last	ΔDbps	ΔYTD bps
5-year	271	0	-3
10-year	318	-1	-22

STOCKS

	Last	ΔD	ΔYTD
BELEX15	580.4	-0.99%	-9.88%

FOREX

	Last	ΔD	ΔYTD
EUR/RSD	122.80	0.09%	-0.99%



ROMANIA

Money Market

ROBOR	Last	ΔDbps	ΔYTD bps
O/N	0.36	-1	-17
1-month	0.59	-2	-10
3-month	0.92	-2	-10
6-month	1.26	-2	-8
12-month	1.44	-1	-8

RO Local Bonds

	Last	ΔDbps	ΔYTD bps
3Y RON	1.74	-2	-19
5Y RON	2.58	-5	-22
10Y RON	3.54	-3	-24

RO Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Oct-25	2.54	0	-2
USD Jan-24	3.76	1	-2

CDS

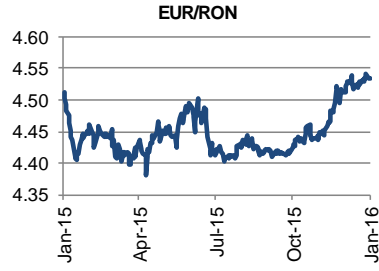
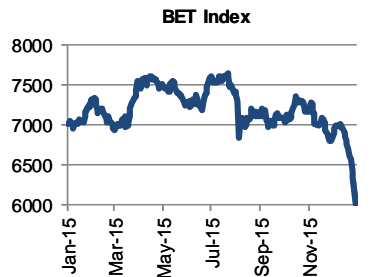
	Last	ΔDbps	ΔYTD bps
5-year	130	-5	-3
10-year	167	-6	-4

STOCKS

	Last	ΔD	ΔYTD
BET	6091.5	-1.36%	-13.03%

FOREX

	Last	ΔD	ΔYTD
EUR/RON	4.533	0.03%	-0.42%



BULGARIA

Money Market

SOFIBOR	Last	ΔDbps	ΔYTD bps
LEONIA	-0.09	0	-10
1-month	-0.01	1	-17
3-month	0.10	0	-16
6-month	0.33	1	-20
12-month	0.80	0	-17

BG Local Bonds

(yields)	Last	ΔDbps	ΔYTD bps
3Y BGN	0.10	3	3
5Y BGN	0.24	0	-14
10Y BGN	1.82	0	-3

BG Eurobonds

	Last	ΔDbps	ΔYTD bps
EUR Jul-17	-0.09	28	-16
EUR Sep-24	2.38	25	-4

CDS

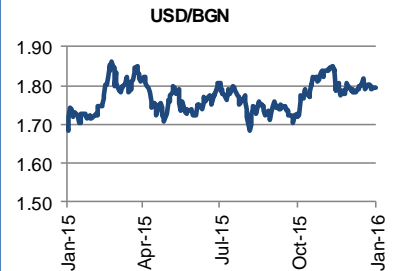
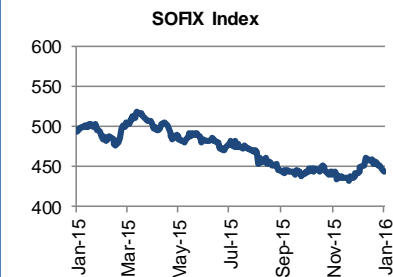
	Last	ΔDbps	ΔYTD bps
5-year	175	-6	3
10-year	219	-6	3

STOCKS

	Last	ΔD	ΔYTD
SOFIX	443.0	-0.62%	-3.88%

FOREX

	Last	ΔD	ΔYTD
USD/BGN	1.7935	-0.02%	0.38%



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

Data updated as of 17:05 EET of previous session

January 21, 2016

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