

The background of the cover features a complex financial chart with multiple data series. A prominent red line graph trends upwards from the bottom left towards the top right. Overlaid on this are several candlestick charts in shades of green and blue. Various numerical values are scattered across the chart, including 1.7810, 1.7900, 1.7855, 1.7765, 11.12, 14.56, 19.00, and 08.47. The overall aesthetic is dark blue with glowing lines and text.

FX & Markets Weekly

Week 21/2019

Mag. Ahmet Hüsrev BILGIN
Chief Economist
Vienna, Austria

Austrian markets almost ignore political uncertainty

This week, the Austrian coalition came to an end due to a 2017 video that was released. Chancellor Kurz called early elections for September. An ÖVP led technocrat minority government will govern until then. On Monday there is a no-confidence vote scheduled in Austrian parliament. The outcome is not yet totally clear. However, the financial market impact was pretty limited. By the time of writing, week on week, Austrian main stock market index ATX dropped by 3%, but it was not a good week for European stock market indices at all. MSCI Europe dropped by 2% w/w, German DAX by 1,5%, and Eurostoxx 50 dropped also by 2%. 5Y USD CDS did not move significantly, only touching 13,85 up from 13,70. Sovereign bond yields widened by 1,3bps in 1Y tenor, by 0,5bps in 2Y tenor, but event tightened from 3Y-15Y.

GBP drops to 5-month low as PM May resigns

In the UK, Prime Minister Theresa May announced her resignation (June 7, 2019) after failing to sell her Brexit plan that included another referendum to Parliament, or even her own party. She is the second successive Conservative leader brought down by her party's divisions over the future of Europe. She will resign as leader of the Conservative Party on June 7. The Conservatives will then pick a new leader, who will become the next prime minister. Her resignation comes after she tried - and failed - three times to get lawmakers to pass the Brexit withdrawal deal she negotiated with the European Union. The GBP depreciated by 1,25% against the NOK, by 1,11% versus the CHF, and 0,92% against the AUD. GBP/USD fell to 1,2677, a level not seen since 1st week of January.

Central Bank of Turkey cuts main refinancing rate

TCMB cut its rate on lira swaps by 150bps to 24% and returned to weekly funding. At the same time TCMB also cut its repo rate by 150bps to 24%. Furthermore, Turkey's banking regulator BDDK told local banks to slow retail FX buying by introducing day-after settlements. Accordingly all retail transactions at USD 100.000 or more will settle one working day later. TCMB released stats show that residents' FX deposits had surged to a new record high of USD 182,26bn as per May 17, 2019.



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Economic Research and Development

Exchange Rates	Price as of 05/24/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
EUR/USD	1,1190	0,27	0,26	-1,41
EUR/TRY	6,7993	0,60	3,51	12,94
EUR/CHF	1,1218	-0,59	-1,54	-1,26
EUR/GBP	0,88326	0,68	2,28	1,83
EUR/JPY	122,62	-0,17	-1,84	-2,85
EUR/RUB	72,1278	-0,02	0,35	-3,06
EUR/CNY	7,7212	-0,01	2,62	1,64
USD/TRY	6,0765	0,37	3,29	14,62
USD/JPY	109,58	-0,46	-2,10	-1,46
USD/RUB	64,4606	-0,30	0,09	-1,67
USD/CNY	6,9011	-0,24	2,67	3,17

Sovereign Bonds 10Y	Price as of 05/24/2019	Change % 5 days	Change % 1 Month	Ask YTM
Austria	106,15	0,07	0,48	-0,09
Belgium	107,03	0,13	0,33	0,00
China	95,97	0,04	na	3,24
EFSF	110,76	-0,06	-0,15	-0,47
ESM	111,06	0,02	0,15	-0,34
France	102,11	0,09	0,51	-0,03
Germany	102,61	0,06	0,68	-0,36
Greece	104,29	0,27	0,47	3,18
Japan	101,96	0,09	0,09	-0,17
Portugal	116,86	0,35	1,01	0,47
Spain	106,34	0,28	1,53	0,43
Russia	102,58	0,58	1,44	7,83
Switzerland	113,57	0,12	0,55	-0,66
Turkey	72,90	-2,15	-5,63	18,79
UK	104,96	0,51	1,32	0,78
US	98,36	0,48	1,42	2,24

Turkey related	Price as of 05/24/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
TRY Basket	6,4377	0,58	3,39	13,72
WAC of CBRT	24,55	-3,73	2,21	2,29
Gold TRY / gram	250,68	0,83	3,90	10,33
TR Gov. B. 2Y yield	25,92	-0,31	22,32	37,73

Euribor/Eonia	Price as of 05/24/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
Eonia (T-1)	-0,368	0,81	-0,27	0,00
Euribor 1 Month	-0,372	-1,09	-1,09	-1,36
Euribor 3 Month	-0,311	0,64	0,32	-0,32
Euribor 6 Month	-0,241	-0,42	-4,33	-4,33
Euribor 12 Month	-0,148	-11,28	-32,14	-37,04

EUR Libor	Price as of 05/24/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
EUR Libor O/N	-0,472	0,90	0,42	-0,89
EUR Libor 1M	-0,418	-0,83	-1,53	-1,11
EUR Libor 3M	-0,359	-1,49	-3,37	-6,79
EUR Libor 6M	-0,317	-0,82	-3,21	-8,61
EUR Libor 12M	-0,222	1,52	-9,89	-37,86

Commodities Energy Futures	Price as of 05/24/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
WTI crude	58,42	-7,09	-11,28	-0,43
BRENT crude	68,42	-5,22	-7,31	2,13
GAS oil	607,50	-7,53	-5,92	-1,66
Heating oil	196,53	-6,23	-6,46	-3,06
Natural gas	2,57	-2,39	2,72	-8,29
Gold Spot	1 283,23	0,47	0,60	-3,23
Silver Spot	14,58	1,25	-2,50	-8,21
Platinum Spot	806,66	-1,35	-8,72	-5,12
Palladium Spot	1 333,60	1,43	-5,88	-12,98
Copper	268,80	-1,81	-7,78	-8,86

Stock Indices	Price as of 05/24/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
ATX	2 969	-2,90	-8,96	-1,94
BIST 100	86 097	-0,93	-10,56	-16,67
CAC 40	5 325	-2,05	-4,47	2,13
DAX	12 046	-1,54	-2,14	5,17
Dow Jones (T-1)	25 490	-1,44	-4,16	-2,08
Euro Stoxx 50	3 358	-1,94	-4,09	2,71
FTSE 100	7 287	-0,78	-2,42	1,57
HANG SENG	27 354	-2,12	-8,23	-5,07
IBEX 35	9 189	-0,95	-2,80	-0,14
MOEX	2 636	2,26	2,20	5,91
NASDAQ 100 (T-1)	7 308	-3,59	-6,12	3,06
NIKKEI 225	21 117	-0,63	-4,88	-1,44
S&P 500 (T-1)	2 822	-1,88	-3,59	1,06

Interest Rate Futures	Price as of 05/24/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
Bobl	133,58	0,02	0,41	0,82
Bund	167,27	0,12	0,92	1,95

Risk Sentiment	Price as of 05/24/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
Baltic Dry Index	1068	2,69	25,65	68,45
VIX	16,22	1,38	23,14	19,76
Turkey 5Y CDS (T-1)	520,537	6,26	18,63	65,05
MSCI EM Index (T-1)	984,81	-1,16	-9,19	-6,98

USD Libor	Price as of 05/24/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
USD Libor O/N	2,357	0,03	-1,57	-1,31
USD Libor 1M	2,428	-0,56	-2,22	-2,26
USD Libor 3M	2,525	0,12	-2,38	-4,59
USD Libor 6M	2,549	-0,20	-2,71	-5,82
USD Libor 12M	2,619	-0,62	-3,89	-9,43

TRY Libor	Price as of 05/24/2019	Change % 5 days	Change % 1 Month	Change % 3 Months
TRY Libor O/N	25,467	-1,98	3,23	5,45
TRY Libor 1M	25,977	-0,02	1,97	7,59
TRY Libor 3M	26,766	-0,00	1,97	11,83
TRY Libor 6M	27,295	-0,02	2,90	14,36
TRY Libor 12M	27,820	-0,00	3,85	16,85

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Economic Research and Development

Date	Country	Economic Release	Period	Consensus	Actual	Prior
05/17/2019 16:00	US	Leading Index	Apr	0.2%	0.2%	0.4%
05/17/2019 16:00	US	U. of Mich. Sentiment	May P	97.2	102.4	97.2
05/17/2019 16:00	US	U. of Mich. Current Conditions	May P	112.2	112.4	112.3
05/17/2019 16:00	US	U. of Mich. Expectations	May P	86.8	96.0	87.4
05/17/2019 16:00	US	U. of Mich. 1 Yr Inflation	May P	--	2.8%	2.5%
05/17/2019 16:00	US	U. of Mich. 5-10 Yr Inflation	May P	--	2.6%	2.3%
05/20/2019 14:30	US	Chicago Fed Nat Activity Index	Apr	-0.20	-0.45	-0.15
05/21/2019 16:00	US	Existing Home Sales	Apr	5.35m	5.19m	5.21m
05/21/2019 16:00	US	Existing Home Sales MoM	Apr	2.7%	-0.4%	-4.9%
05/22/2019 13:00	US	MBA Mortgage Applications	May 17	--	2.4%	-0.6%
05/23/2019 14:30	US	Initial Jobless Claims	May 18	215k	211k	212k
05/23/2019 14:30	US	Continuing Claims	May 11	1666k	1676k	1660k
05/23/2019 15:45	US	Bloomberg Consumer Comfort	May 19	--	60.3	59.9
05/23/2019 15:45	US	Bloomberg Economic Expectations	May	--	52.5	50.0
05/23/2019 15:45	US	Markit US Manufacturing PMI	May P	52.6	50.6	52.6
05/23/2019 15:45	US	Markit US Services PMI	May P	53.5	50.9	53.0
05/23/2019 15:45	US	Markit US Composite PMI	May P	--	50.9	53.0
05/23/2019 16:00	US	New Home Sales	Apr	675k	673k	692k
05/23/2019 16:00	US	New Home Sales MoM	Apr	-2.5%	-6.9%	4.5%
05/23/2019 17:00	US	Kansas City Fed Manf. Activity	May	6	4	5
05/17/2019 08:00	EA	EU27 New Car Registrations	Apr	--	-0.4%	-3.9%
05/17/2019 11:00	EA	Construction Output MoM	Mar	--	-0.3%	3.0%
05/17/2019 11:00	EA	Construction Output YoY	Mar	--	6.3%	5.2%
05/17/2019 11:00	EA	CPI Core YoY	Apr F	1.2%	1.3%	1.2%
05/17/2019 11:00	EA	CPI MoM	Apr	0.7%	0.7%	1.0%
05/17/2019 11:00	EA	CPI YoY	Apr F	1.7%	1.7%	1.7%
05/20/2019 10:00	EA	ECB Current Account SA	Mar	--	24.7b	26.8b
05/21/2019 16:00	EA	Consumer Confidence	May A	-7.7	-6.5	-7.9
05/23/2019 10:00	EA	Markit Eurozone Manufacturing PMI	May P	48.1	47.7	47.9
05/23/2019 10:00	EA	Markit Eurozone Services PMI	May P	53.0	52.5	52.8
05/23/2019 10:00	EA	Markit Eurozone Composite PMI	May P	51.7	51.6	51.5
05/17/2019 13:30	TR	House Price Index YoY	Mar	--	3.45%	--
05/17/2019 13:30	TR	House Price Index MoM	Mar	--	0.40%	--
05/21/2019 09:00	TR	Consumer Confidence SA	May	--	55.3	63.5
05/23/2019 09:00	TR	Real Sector Confidence SA	May	--	94.7	100.0
05/23/2019 09:00	TR	Real Sector Confidence NSA	May	--	98.9	105.5
05/23/2019 09:00	TR	Capacity Utilization	May	--	76.3%	75.0%
05/23/2019 13:30	TR	Foreigners Net Bond Invest	May 17	--	-\$74m	-\$340m
05/23/2019 13:30	TR	Foreigners Net Stock Invest	May 17	--	-\$135m	-\$215m
05/17/2019 15:00	RU	Imports	Mar	21.5b	21.0b	18.4b
05/17/2019 15:00	RU	Exports	Mar	37.8b	36.5b	34.0b
05/17/2019 15:00	RU	Trade Balance	Mar	16.0b	15.5b	15.7b
05/17/2019 15:00	RU	GDP YoY	1Q A	1.2%	0.5%	2.7%
05/22/2019 16:00	RU	Industrial Production YoY	Apr	2.0%	4.6%	1.2%
05/23/2019 15:00	RU	PPI YoY	Apr	9.5%	10.7%	10.9%
05/23/2019 15:00	RU	PPI MoM	Apr	1.0%	0.5%	0.9%

Should you have any queries, please contact me as follows:

Mag. Ahmet Hüsrev BILGIN, Chief Economist, DenizBank AG

Tel: 0505105/2430

Email: ahmet.bilgin@denizbank.at

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DPR number: 0845981

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Members of the Management Board:

Ahmet Mesut Ersoy, Mehmet Ulvi Taner, Tuncay Akdevelioglu, Cenk Izgi, Bernhard Achberger, Dina Karin Hösele;

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Shareholder structure: Member of the Sberbank Group

Purpose of document: This report summarises the significant developments within the financial markets over the previous week and comments on their underlying background.