

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

April 2, 2020

Global Markets

German Chancellor Angela Merkel announced that the nationwide shutdown would be extended until at least 19 April, while President Donald Trump warned of two “painful” weeks ahead for the US. Adding to market fears over the rapid spread of the new virus outbreak, the WHO cautioned that the global COVID-19 cases will reach 1mn and the death toll 50,000 in the next few days from around 46,900 currently. Against this background, the USD held most of its recent gains in today’s early trade, ahead of today’s US initial jobless claims that are expected to rise to a fresh record high of c. 3.5mn. Elsewhere, US Treasuries were firmer favoured by the Fed’s announcement that it would temporarily ease certain capital requirements for the biggest US banks that makes US government bonds holdings more attractive for these institutions.

Greece

The IHS Markit Manufacturing PMI for Greece in March 2020 plummeted to 42.5 from 56.2 in February, posting the steepest drop since July 2015. The contraction was driven by a decline in both domestic and foreign demand leading in turn to lower workforce numbers. Business confidence also turned negative over uncertainty regarding the duration of the coronavirus’s impact on the economy. Meanwhile, according to press, state revenues in March contracted by less than 20%, contrary to the government’s fears for a steeper drop. More specifically, after March 15, revenue declined by 30%, but the reduction eased in the last three days of the month, when most of the revenue is usually paid.

CESEE

Bulgaria: Minister of Finance, Vladislav Goranov, announced that the government has approved a budget revision, raising the target to a BGN 3.5bn deficit, compared to the balanced target in the initial 2020 budgetary law. The government also raised the ceiling on debt issuance to BGN 10bn for 2020, up from the previous limit of BGN 2.2bn. The increase of the ceiling will finance the aforementioned BGN 3.5bn deficit, the BGN 0.7bn capital increase for the Bulgarian Development Bank, as well as additional needs if a more negative economic scenario than the currently anticipated is realised. Serbia: The government unveiled details of a programme with economic measures worth RSD 608.3bn that aim to preserve employment during the state of emergency and as such mitigate the negative impact of the Covid-19 pandemic.

Contributing Authors

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Maria Kasola
Economic Analyst
mkasola@eurobank.gr

GLOBAL MARKETS

Stock markets

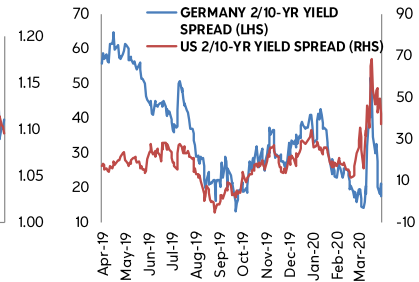
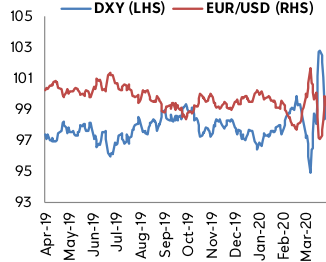
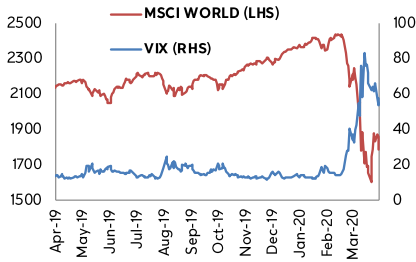
	Last	ΔD	ΔYTD
S&P 500	2470.50	-4.41%	-23.5%
Nikkei 225	17818.72	-1.4%	-24.7%
STOXX 600	311.74	0.3%	-25.0%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.095	-0.1%	-2.4%
GBP/USD	1.2409	0.3%	-6.4%
USD/JPY	107.27	-0.1%	1.2%

Government Bonds

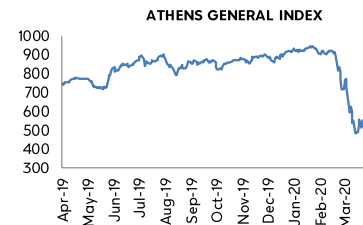
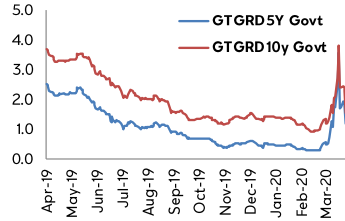
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.60	2	-131
Bund-10yr	-0.44	2	-25
JGB - 10yr	-0.01	-2	0



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	1.35	1	86
10Y Bond	1.74	0	31
Δ(10YBund-10YGGB)	2.18	0	56



EMERGING MARKETS

Stock markets

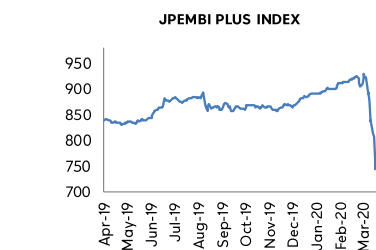
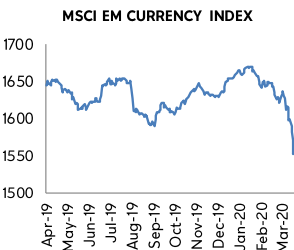
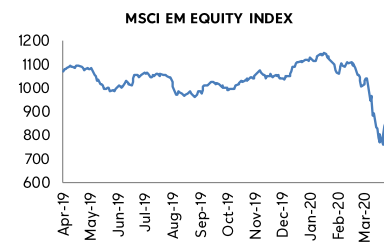
	Last	ΔD	ΔYTD
SOFIX	417.64	0.0%	-26.5%
BELEX	658.97	3.5%	-1780.2%
XUI100	90120.39	1.2%	-2124.1%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.5825	0.3%	-7.2%
EUR/RSD	117.466	0.0%	0.2%
USD/TRY	6.683	0.3%	-11.0%

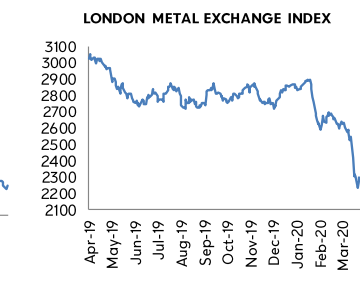
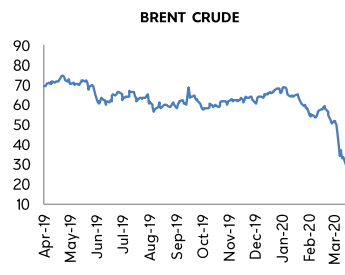
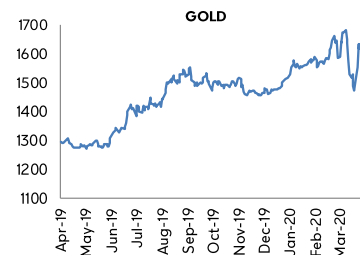
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	8.86	-6	273
BG BY yield	Invalid Security		
PL 10Y yield	1.73		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1595	0.2%	5.1%
BRENT CRUDE	27	10.2%	-58.7%
LMEX	2278	-2.5%	-19.9%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 10:30 EEST

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

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