

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

July 2, 2020

Global Markets

Manufacturing June PMIs from both sides of the Atlantic surprised positively, reinforcing market optimism that the global economy remains on a path of continued recovery after hitting bottom in April. Ending three consecutive months of contraction, the US ISM factory activity index rose by a higher-than-expected 9.5pts to 52.6 and the Eurozone manufacturing PMI was revised up by 0.5pts from the flash estimate coming in at 47.4. In reaction, global equity markets opened in a positive tone today, while a hefty 13.9%MoM increase in Germany's May retail sales and encouraging news related to a successful early trial of an experimental Covid-19 vaccine, also favored. In FX markets, the USD lost some ground, with the EUR/USD hitting a session peak of 1.1284 in early European trade, ahead of today's US June non-farm payrolls survey.

Greece

The 7th review in the context of the Enhanced Surveillance framework begins on Monday, and one of the sticky points appears to be the backlog of pension claims, which according to press has been increasing instead of declining. In fact, at end March main pensions' claims had climbed to 160,959 from 151,496 in Dec-2019. Meanwhile, the Council of State ruling on retroactive payments to pensioners is expected in the coming days. In other news, the IHS Markit Manufacturing PMI eased to 49.4 in June 2020 from 41.1 in May and 29.5 in April and just below the 50 points threshold, indicating a significantly milder output contraction compared to the previous two months. Although demand remained subdued and employment continued to decline, albeit at a slower pace, the reopening of the economy spurred optimism at manufacturers.

CESEE

Serbia: Following the easing of containment measures, Serbia is confronted with a surge in infections as new cases rose by 272 in the last 24 hours, reaching 14,836 cases. As such, the government decided yesterday to adopt stricter measures of protection for the population in regions where an emergency situation has been declared. The measures include, inter alia, a ban on gatherings of more than five people in closed and open spaces, if it is not possible to secure a physical distance of two meters. The emergency situation has been declared in the cities of Kragujevac, Novi Pazar, Tutin and Vranje, with the situation in Novi Pazar rendered as the most critical. On the economic data front, retail sales increased by 4.7%YoY and 28.7%MoM in May, reversing partially April's decline of -18.6%YoY and -27.3% MoM.

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

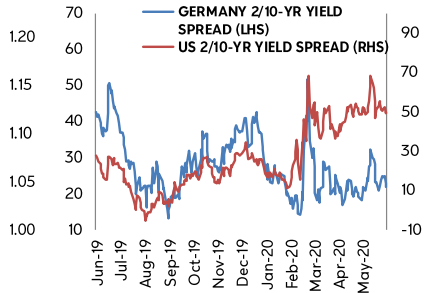
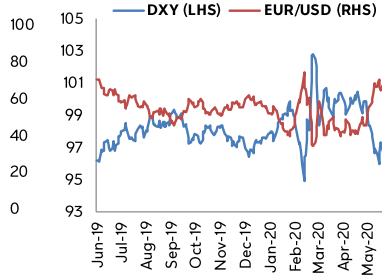
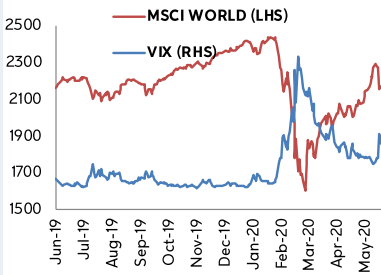
	Last	ΔD	ΔYTD
S&P 500	3115.86	0.50%	-3.6%
Nikkei 225	22145.96	0.1%	-6.4%
STOXX 600	364.16	0.8%	-12.4%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1263	0.1%	0.4%
GBP/USD	1.2482	0.1%	-5.8%
USD/JPY	107.54	-0.1%	1.0%

Government Bonds

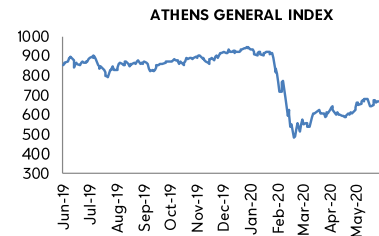
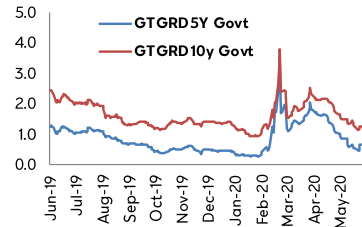
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.67	0	-124
Bund-10yr	-0.40	0	-21
JGB - 10yr	0.04	-1	5



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.56	0	7
10Y Bond	1.17	0	-26
Δ(10YBund-10YGGB)	1.57	0	-5



EMERGING MARKETS

Stock markets

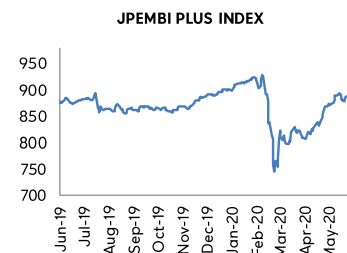
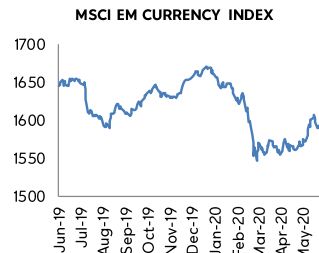
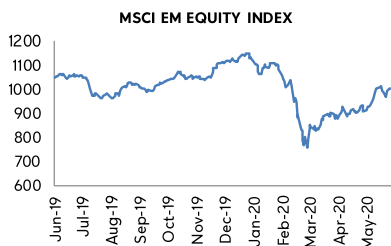
	Last	ΔD	ΔYTD
SOFIX	453.03	0.0%	-20.3%
BELEX	667.15	0.2%	-1678.2%
XU100	115919.80	0.5%	130.6%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.4739	0.0%	-4.9%
EUR/RSD	117.656	0.0%	0.1%
USD/TRY	6.8549	-0.1%	-13.2%

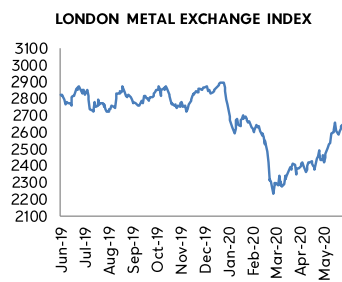
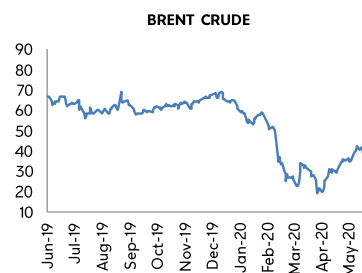
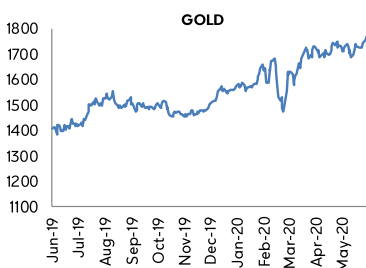
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.59	-8	46
BG 8Y yield	Invalid Security		
PL 10Y yield	1.41		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1769	0.0%	16.6%
BRENT CRUDE	42	0.8%	-35.8%
LMEX	2693	0.4%	-5.3%



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

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