

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

June 3, 2020

Global Markets

The positive mode on risk assets remained intact earlier today, on signs of recovery in global economic activity as governments continue to gradually lift lockdowns. Market hopes for more fiscal stimulus, including a package of c. 2-½-of-GDP from the German government, also supported risk sentiment. Against this background, short-dated government bonds continued to outperform, with both UST and Bund yield curves undertaking some further steepening. In FX markets, positive risk sentiment kept the USD under pressure, with the EUR/USD rising above 1.12 earlier today. Elsewhere, oil prices gained with Brent crude moving above \$40/bbl amid expectations that major producers will agree to extend output cuts during a video conference likely to be held on Thursday, while the reopening of economies is anticipated to boost demand.

Greece

In an interview (CNBC), the Greek FinMin Christos Staikouras declared his intention to negotiate at Eurogroup level, the relaxation of the 2021 – 2022 primary surplus targets, currently at 3.5% of GDP. On privatisations, the competent authority issued the act for the demolition of buildings in the site of Hellinikon within the stipulated timeframes. According to press, demolition works are expected to begin in mid-June, while it is estimated that the casino tender – a pre-requisite for the financial closing of the concession agreement – will have been ratified by the Parliament by the end of the year. On the pandemic front, 19 new cases were recorded yesterday, 12 of them concerning travelers arriving from Doha, which led the authorities to suspend flights from Qatar until 15 June. Total COVID-19 cases have reached 2,937.

CESEE

Serbia: According to the Q1 national accounts release on Monday, GDP expanded by 5.0% YoY and 0.6% QoQ. In terms of expenditure, GDP growth was primarily driven by investments, which, albeit lower compared to Q4, contributed ca 2.2pps. Private and public consumption jointly accounted for another 2pps in the headline economic growth reading while net exports contributed negatively as imports growth outpaced that of exports. On the market news front, the Ministry of Finance raised yesterday RSD2.5bn in 3-year bonds. Investors placed bids for RSD3.6bn against the offered RSD3.3bn. The notes bear a 2.0% coupon rate, were sold at an average yield of 2.15%, identical with that in the previous identical auction on April 2 and will mature on Apr 6, 2023.

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GLOBAL MARKETS
Stock markets

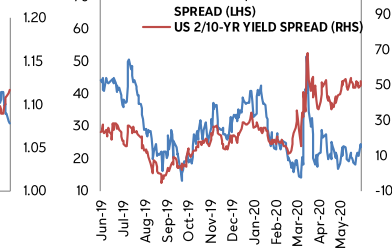
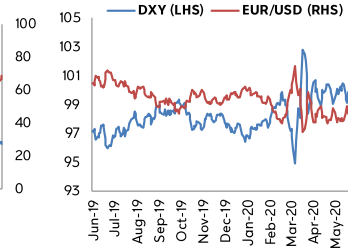
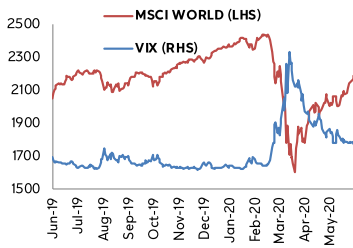
	Last	ΔD	ΔYTD
S&P 500	3080.82	0.82%	-4.6%
Nikkei 225	22613.76	1.3%	-4.4%
STOXX 600	359.77	1.6%	-13.5%

FOREX

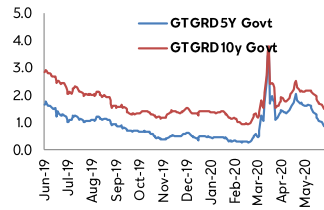
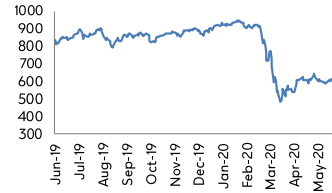
	Last	ΔD	ΔYTD
EUR/USD	1.1215	0.4%	0.0%
GBP/USD	1.2599	0.4%	-4.9%
USD/JPY	108.62	0.1%	0.0%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.70	1	-122
Bund-10yr	-0.39	3	-20
JGB - 10yr	0.02	1	3


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.85	-1	36
10Y Bond	1.49	0	6
Δ(10YBund-10YGGB)	1.88	0	26


ATHENS GENERAL INDEX

EMERGING MARKETS
Stock markets

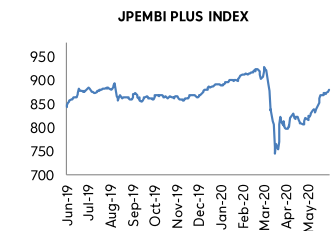
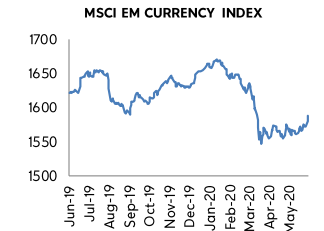
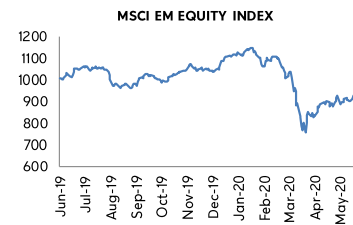
	Last	ΔD	ΔYTD
SOFIX	461.03	0.0%	-18.9%
BELEX	673.81	0.3%	-1595.1%
XU100	108926.20	0.8%	-480.6%

FOREX

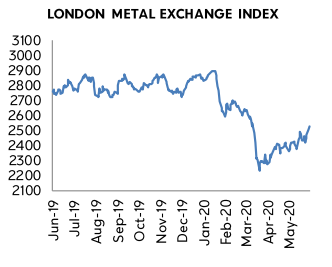
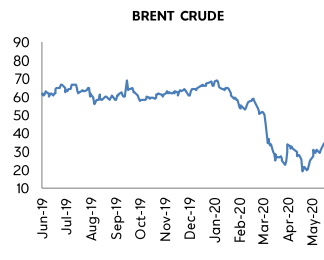
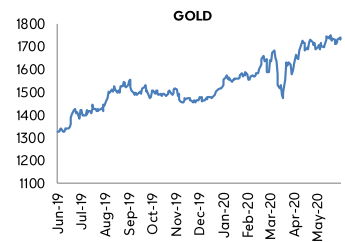
	Last	ΔD	ΔYTD
EUR/PLN	4.3789	0.2%	-2.8%
EUR/RSD	117.663	0.0%	0.1%
USD/TRY	6.7171	0.0%	-11.4%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.83	-12	70
BG BY yield	Invalid Security		
PL 10Y yield	1.28		


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1723	-0.3%	13.6%
BRENT CRUDE	40	1.9%	-38.9%
LMEX	2526	0.9%	-11.2%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 10:00 EEST

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