

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

July 3, 2020

Global Markets

The US employment report surprised positively for the second consecutive month, showing a higher-than-expected increase of 4.8mn in non-farm payrolls in June and a sharp drop in the unemployment rate to 11.1% from 13.3% in May. However, the resurgence in Covid-19 cases in several US states has raised concerns about whether this improvement can be sustained. This holds especially after initial jobless claims for the week ended June 27 came in higher than anticipated, remaining above 1.4mn. Against this background, whereas global equity markets were firmer in early trade today, US government bond yields ended yesterday's session lower compared to Wednesday (US markets are closed today) while German Bunds are little changed on the day in early European trade. In FX markets, the EUR/USD remains trapped within 1.12-1.13.

Greece

The emblematic project of Hellinikon officially commenced today with the beginning of demolition works. According to government estimations, all pending actions will be completed in time for the financial closing of the €915mn concession before the end of the year, and the receipt of the 1st installment of €300mn. It is expected that in its full operation, Hellinikon will create more than 80,000 jobs, while 10,000 jobs will be created only during the construction phase. Meanwhile, objections on behalf of the institutions remain as regards the new bankruptcy law, particularly the entity that will acquire and lease back the main residences of borrowers that do not service their loans. The institutions argue that the said entity should be either private or a public-private partnership, which will operate on the basis of private-sector criteria.

CESEE

Bulgaria: FiBank announced yesterday the successful completion of its BGN195.4mn share capital increase. The new shareholders are the state-owned Bulgarian Development Bank (BDB) and Valea Foundation with 18.35% and 7.87% stake in the bank respectively. The capital strengthening of FiBank, one of the six systemic banks in the country, was the only pending prerequisite in order for the country to access the ERM II. Consequently and given the lack of investors' appetite amid the pandemic crisis, the Government pursued the capital injection through the BDB. The participation of the Valea Foundation as a private investor, albeit with a minority positioning, is considered pivotal in the transaction as, without its participation, the BDB's investment in FiBank would have been considered state aid.

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GLOBAL MARKETS
Stock markets

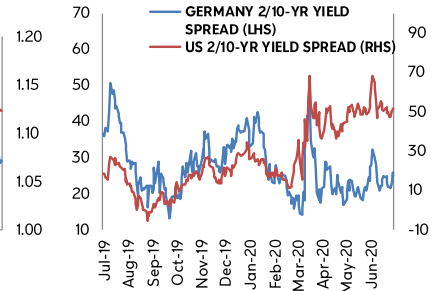
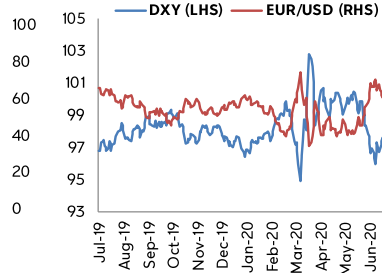
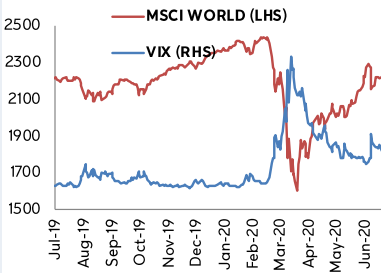
	Last	ΔD	ΔYTD
S&P 500	3150.01	0.45%	-3.1%
Nikkei 225	22306.48	0.7%	-5.7%
STOXX 600	368.81	0.1%	-11.3%

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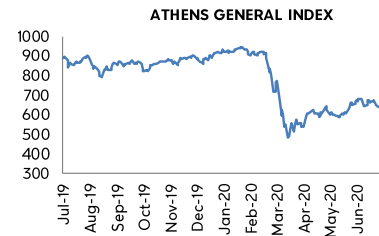
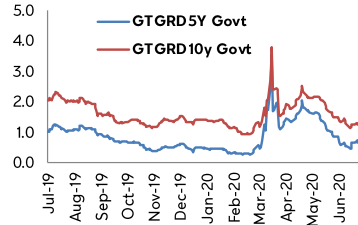
	Last	ΔD	ΔYTD
EUR/USD	1.1231	-0.1%	0.2%
GBP/USD	1.2443	-0.2%	-6.1%
USD/JPY	107.51	0.0%	1.0%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.67	0	-125
Bund-10yr	-0.44	-1	-25
JGB - 10yr	0.03	-1	4


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.55	-1	6
10Y Bond	1.15	-1	-28
Δ(10YBund-10YGG)	1.59	0	-3


EMERGING MARKETS
Stock markets

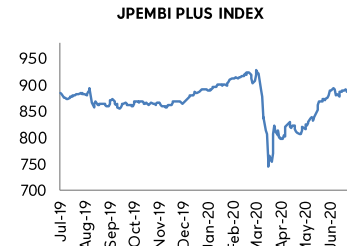
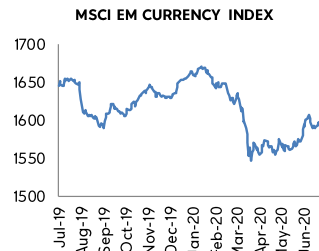
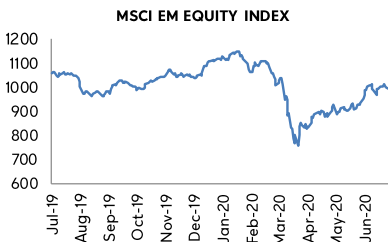
	Last	ΔD	ΔYTD
SOFIX	452.52	0.0%	-20.4%
BELEX	668.89	0.3%	-1656.5%
XU100	116711.80	-0.2%	199.9%

FOREX

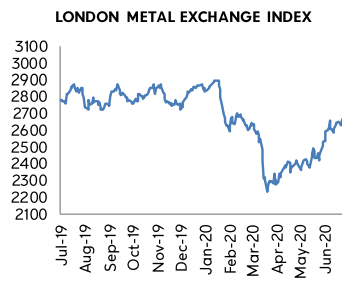
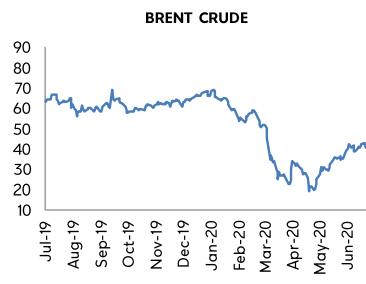
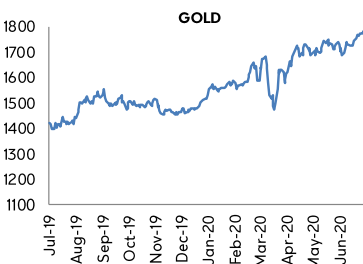
	Last	ΔD	ΔYTD
EUR/PLN	4.4636	0.0%	-4.7%
EUR/RSD	117.581	0.1%	0.1%
USD/TRY	6.8553	0.0%	-13.2%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.46	-7	33
BG 8Y yield	Invalid Security		
PL 10Y yield	1.34		


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1776	0.0%	17.1%
BRENT CRUDE	43	-1.1%	-35.3%
LMEX	2699	0.2%	-5.1%



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

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