

# GLOBAL & REGIONAL DAILY

## HIGHLIGHTS

March 4, 2020

### Global Markets

In its first extraordinary policy meeting since the 2008 financial crisis, the Fed unanimously decided yesterday an emergency 50bps rate cut in an effort to cushion the economic impact of the coronavirus outbreak. In spite of the Fed's move, core government bond yields remained in a downward trend, reflecting market cautiousness over the effectiveness of monetary policy measures. The 10-yr UST yield was hovering around 0.95% in early European trade, within distance from yesterday's post-Fed fresh record low of 0.91%, while the 10-yr Bund was yielding levels around -0.64%, close to Monday's five-month trough of -0.67%, as investors await the ECB to follow the Fed soon with policy stimulus. In FX markets, the USD remained under pressure, allowing the EUR/USD to move towards the next resistance level of 1.1250.

### Greece

According to the Hellenic Fiscal Council (HFC), the spread of coronavirus in Europe is expected to have a negative impact on Eurozone GDP; consequently, a spillover on Greek GDP is possible. The HFC has worked out two negative scenarios whereby under 'normal conditions', i.e. based on historical prices and barring structural changes in the economy of Greece and Eurozone, the slowdown in the EA, if realized, may deduct 0.3 or 0.7 percentage points from the estimated GDP growth in Greece. That is, the HFC forecast for a 2020 GDP growth of 2.54% (pre-Covid19 baseline scenario) is reduced to 2.21% (negative scenario 1) or 1.88% (negative scenario 2). It should be noted that the HFC exercise does not take into consideration other potential internal risks such as the decline in tourism or transport revenue or in consumption.

### CESEE

Cyprus: According to the revised estimate, real GDP advanced by 0.8% QoQ/ 3.2% YoY in Q4-2019 on a seasonally adjusted basis compared to 0.5% QoQ/ 3.3% YoY in Q3-2019 vs. 1.0% QoQ/ 3.8% YoY in Q4-2018. Overall, real GDP growth expanded by a 3.2% in 2019 down from 4.1% YoY in 2018 vs. 4.4% YoY in 2017, compared to 6.7% YoY in 2016, up from only 3.4% YoY in 2015, and after three years of recession and a cumulative drop of 11.5% over the period 2012-2014. Looking ahead, in our view it is crystal clear that the economy has passed its cyclical peak. The growth dynamics are expected to remain relatively strong – yet still below 3% for the first time after graduation from the economic adjustment programme – at 2.8% in 2020 driven primarily again by still strong domestic demand dynamics.

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**GLOBAL MARKETS**
**Stock markets**

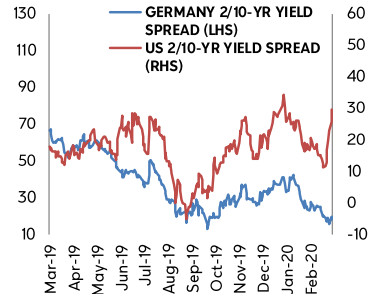
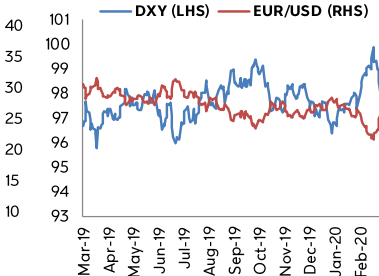
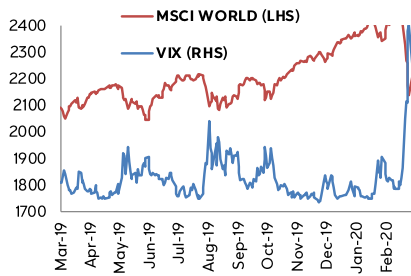
	Last	ΔD	ΔYTD
S&P 500	3003.37	-2.81%	-7.0%
Nikkei 225	21100.06	0.1%	-10.8%
STOXX 600	379.51	-0.4%	-8.7%

**FOREX**

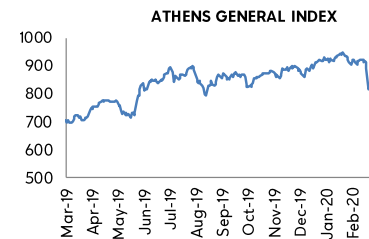
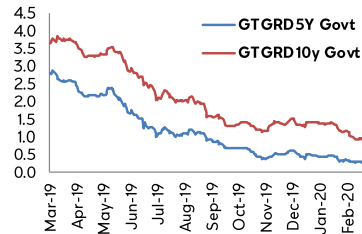
	Last	ΔD	ΔYTD
EUR/USD	1.117	0.0%	-0.4%
GBP/USD	1.2783	-0.2%	-3.6%
USD/JPY	107.4	-0.3%	1.1%

**Government Bonds**

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.94	-5	-97
Bund-10yr	-0.65	-2	-46
JGB - 10yr	-0.13	-2	-12


**GREECE**
**Government Bonds**

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.49	1	0
10Y Bond	1.23	2	-20
Δ(10YBund-10YGG)	1.88	0	26


**EMERGING MARKETS**
**Stock markets**

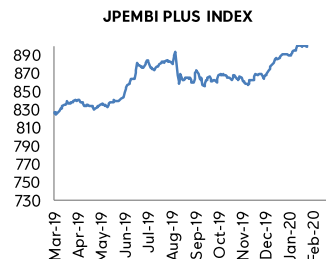
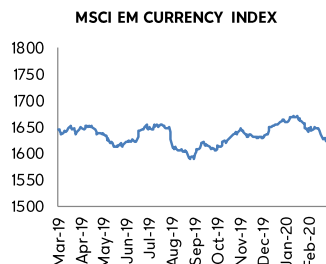
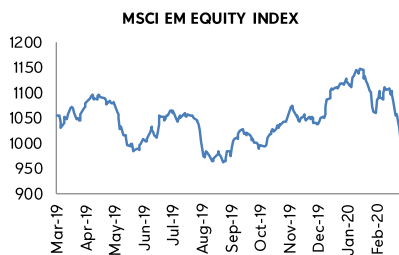
	Last	ΔD	ΔYTD
SOFIX	547.22	0.1%	-3.7%
BELEX	788.87	-0.8%	-159.9%
XU100	111002.20	-0.2%	-299.1%

**FOREX**

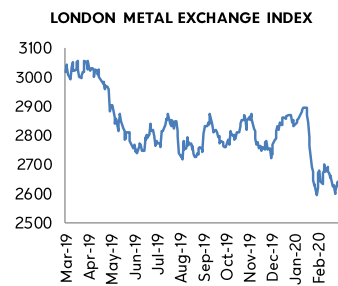
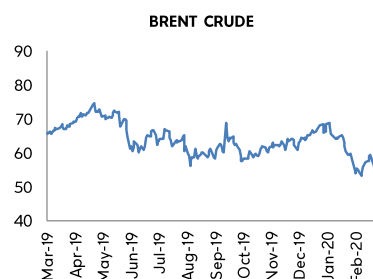
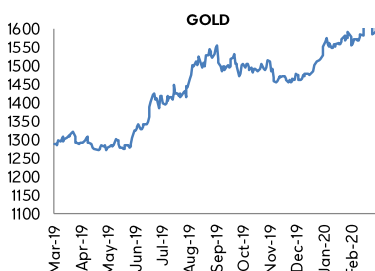
	Last	ΔD	ΔYTD
EUR/PLN	4.2924	0.3%	-0.9%
EUR/RSD	117.585	0.0%	0.1%
USD/TRY	6.1107	0.0%	-2.6%

**Government Bonds**

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	5.95	-10	-18
BG 8Y yield	Invalid Security		
PL 10Y yield	1.68		


**COMMODITIES**

	Last	ΔD	ΔYTD
GOLD	1636	-0.3%	7.8%
BRENT CRUDE	52	-0.1%	-21.5%
LMEX	2625	-0.6%	-7.7%



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