

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

May 4, 2020

Global Markets

Global equity markets moved lower in early trade today and oil prices dropped, following threats by US President Donald Trump about imposing new tariffs on China amid concerns about its role in the outbreak of COVID-19. A recent string of disappointing US data, including a 4.8% annual rate of contraction in Q1, the sharpest decline since the GFC, a record monthly drop of 7.5% in March's personal consumption and a decline in the manufacturing ISM to an 11-year low of 41.5 in April, also weighed on sentiment towards risk assets. In FX markets, the USD gained against most of its major currency peers, with the EUR/USD standing 0.4% lower on the day. Eurozone Q1 GDP figure last week posting a record decline of 3.8%QoQ, and the lack of action by the ECB on the PEPP at its latest monetary policy meeting, also did not favor the EUR.

Greece

The Minister of Finance Christos Staikouras outlined the support measures for the next period, which include the continuation of some of the existing horizontal measures (e.g. allowance for employees whose contract has been suspended, suspension of tax and social security payments and rent reductions) as well as sector-specific measures. Also, the protection of first residence framework is extended until 31 July 2020, while a new programme will support debt holders whose debts turned red due to the COVID-19 crisis. On the economic news front, according to ELSTAT, in Feb-20 the overall volume index in retail trade, increased by 3.5% compared with the corresponding index of Feb-19, while the seasonally adjusted overall volume index, decreased by 1.4%MoM.

CESEE

Turkey: Turkish lira came under renewed depreciation pressure last week driven by concerns that the Central Bank of Turkey may continue with further rate cuts after revising down its year-end inflation forecast to 7.4% from 8.2% previously. The Turkish lira ended at 7.008/\$ on Friday's evening trade – at the 7.00/\$ threshold – the lowest level since August 2018, and close to a historical all time high of 7.2/\$. Lira, one of the worst EM performing currencies this year, has been on a steady depreciating trend since July 2019, when CBRT engaged in a new easing cycle. Ever since, CBRT has slashed the Key Policy rate by a cumulative 1525bps, bringing it at 8.75% currently from 24%, in eight consecutive MPC meetings. On top, the currency took a new hit on market speculation that the CBRT may be running out of FX reserves to defend it.

Contributing Authors

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Ioannis Gkionis
Senior Economist
igkionis@eurobank.gr

GLOBAL MARKETS
Stock markets

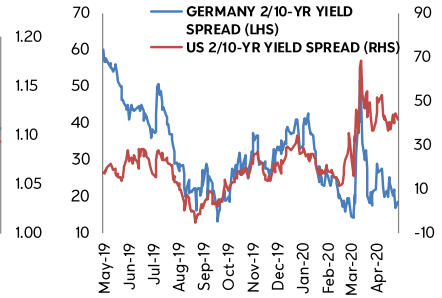
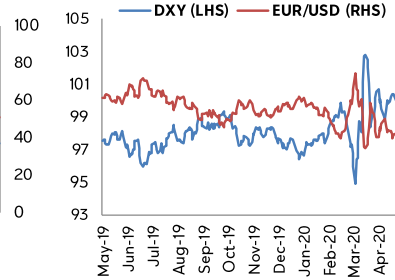
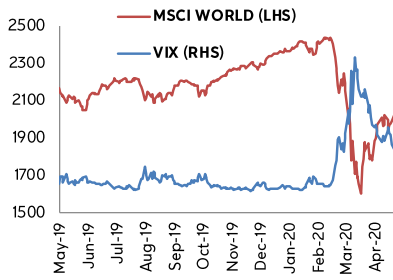
	Last	ΔD	ΔYTD
S&P 500	2830.71	-2.81%	-12.4%
Nikkei 225	19619.35	-2.8%	-17.1%
STOXX 600	337.39	-0.8%	-18.9%

FOREX

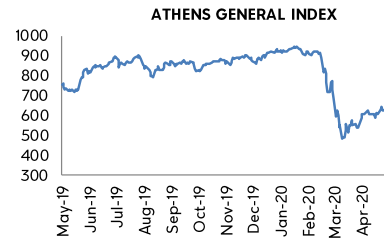
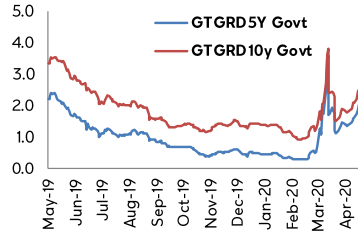
	Last	ΔD	ΔYTD
EUR/USD	1.0932	-0.4%	-2.5%
GBP/USD	1.2435	-0.6%	-6.2%
USD/JPY	106.75	0.1%	1.7%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.60	-1	-131
Bund-10yr	-0.57	2	-39
JGB - 10yr	-0.02	1	-1


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	1.64	-1	116
10Y Bond	2.13	-1	70
Δ(10YBund-10YGGB)	2.71	0	109


EMERGING MARKETS
Stock markets

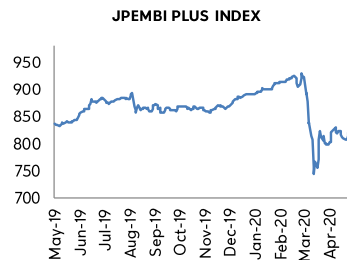
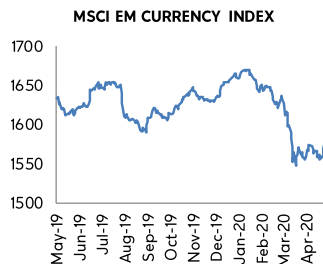
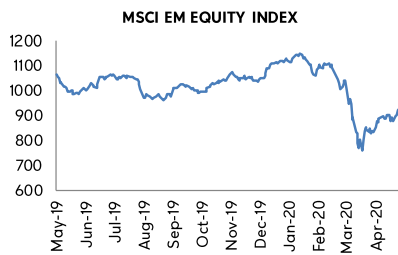
	Last	ΔD	ΔYTD
SOFIX	447.45	-0.4%	-21.2%
BELEX	655.41	0.0%	-1824.6%
XU100	101110.10	-0.5%	-1163.6%

FOREX

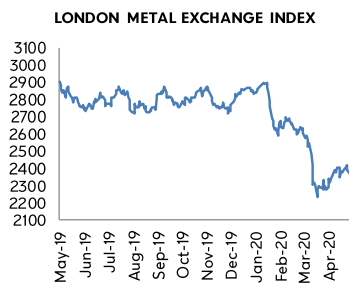
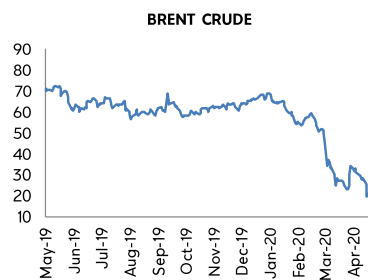
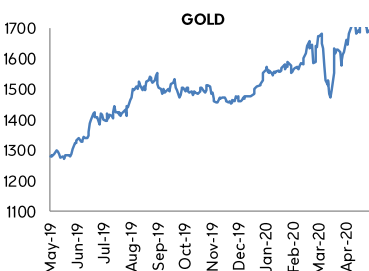
	Last	ΔD	ΔYTD
EUR/PLN	4.5618	0.1%	-6.7%
EUR/RSD	117.532	0.0%	0.2%
USD/TRY	7.0233	-0.2%	-15.3%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	7.94	-8	181


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1699	-0.1%	12.0%
BRENT CRUDE	26	-2.3%	-60.8%
LMEX	2362	-1.3%	-16.9%



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

More research available at: <https://www.eurobank.gr/en/group/economic-research>
Subscribe electronically at: <https://www.eurobank.gr/el/omilos/oikonomikes-analiseis..>
Follow us on twitter: https://twitter.com/Eurobank_Group
Follow us on LinkedIn: <https://www.linkedin.com/company/eurobank>

DISCLAIMER

This report has been issued by Eurobank S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees. Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

