

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

August 4, 2020

Global Markets

US manufacturing ISM improved in July for the third month in a row, coming in at a near 1-½ year high of 54.2, with the forward-looking new orders component rising to 61.5, the highest level since September 2018. China's manufacturing PMI also improved in July rising by 1.6pts to 52.8, the highest level since January 2011. Meanwhile, Eurozone manufacturing PMI was revised higher to a final 51.8 in July from the flash estimate of 51.1 and 47.4 in June. Country-wise, the highest reading was recorded in Spain (53.5) while only Greece and the Netherlands reported PMI readings below 50.0 (48.6 and 47.9, respectively). In reaction to positive US manufacturing data, the US 2yr-10yr yield curve undertook some steepening, while the USD was under pressure as investors await progress in negotiations for additional US fiscal stimulus.

Greece

The committee chaired by Nobel Laureate Christopher Pissarides published y-day its 14-point proposal on the growth plan of the Greek economy. The report focuses, among others, on reforms aiming to reduce labor costs, rationalize the pensions system, improve the judicial system and the public sector's institutional framework, improve the ease of doing business in Greece and strengthen the export profile of the country, increase women's labor force participation, mobilize public and private investments in extrovert areas including the digital transformation of the economy, the tourism sector, etc. The committee's proposal will undergo public consultation. The final version is expected in September 2020 and its submission to the European Commission, in the context of the recovery fund framework, is anticipated in October 2020.

CESEE

SERBIA: According to a flash estimate, published yesterday, GDP shrunk by -6.5%YoY in Q2 2020 after rising by 5.0%YoY in Q1. The print had already been announced one day earlier by the PM, Ana Brnabic, who stated that the result beat expectations since local authorities had been projecting a -9.9%YoY fall due to COVID-19 repercussions. Following the positively surprising Q2 flash reading and better than expected results in the industrial production growth and retail sales in June, upward revisions of the 2020 GDP growth forecasts are about to follow. As a matter of fact, in the previous week, President Aleksandar Vucic expressed the view that GDP growth could be just above zero in 2020. The flash estimate did not provide any data breakdown as detailed data on national accounts for Q2 will be published on August 31.

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GLOBAL MARKETS

Stock markets

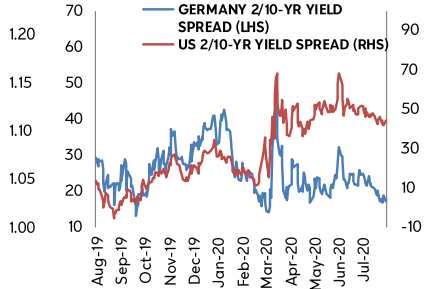
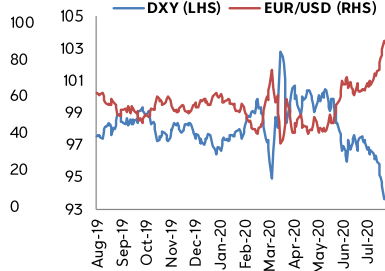
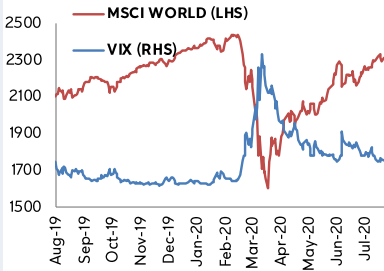
	Last	ΔD	ΔYTD
S&P 500	3294.61	0.72%	2.0%
Nikkei 225	22573.66	1.7%	-4.6%
STOXX 600	363.64	2.1%	-12.6%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1772	0.1%	5.0%
GBP/USD	1.3079	0.0%	-1.3%
USD/JPY	106.07	-0.1%	2.4%

Government Bonds

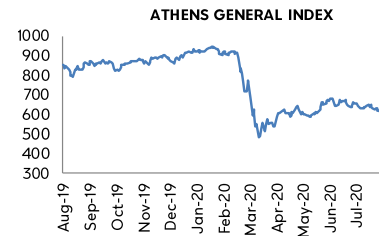
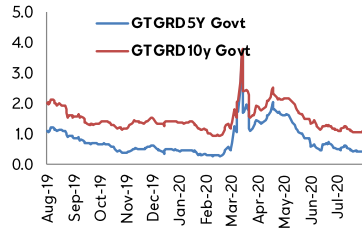
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.56	0	-136
Bund-10yr	-0.52	1	-33
JGB - 10yr	0.02	-1	3



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.44	0	-5
10Y Bond	1.08	0	-35
Δ(10YBund-10YGGB)	1.60	0	-2



EMERGING MARKETS

Stock markets

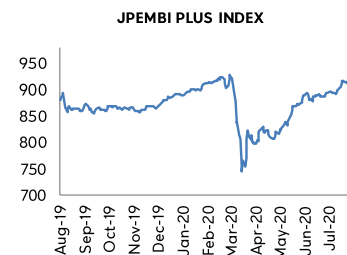
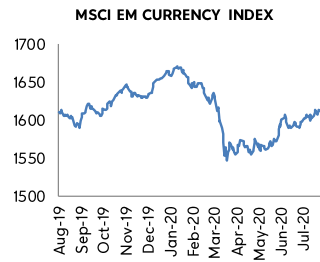
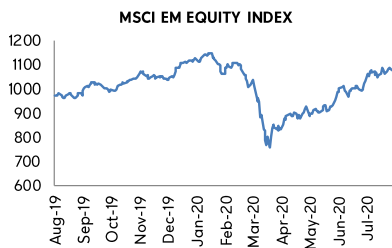
	Last	ΔD	ΔYTD
SOFIX	436.59	0.0%	-23.2%
BELEX	666.01	-0.3%	-1692.4%
XU100	1126.90	-0.8%	-151.6%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.4091	0.1%	-3.5%
EUR/RSD	117.605	0.0%	0.1%
USD/TRY	6.959	-0.1%	-14.5%

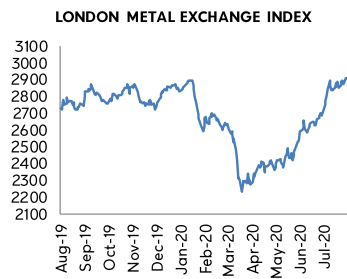
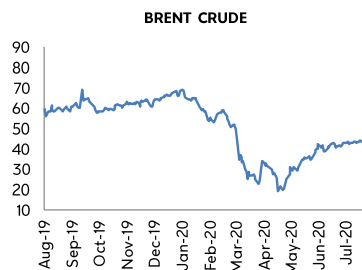
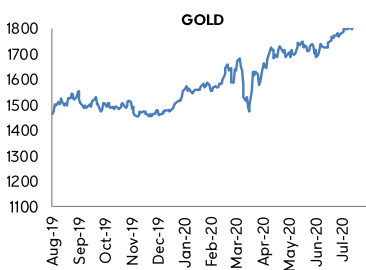
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	7.04	-7	91
BG 8Y yield	Invalid Security		
PL 10Y yield	1.30		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1973	-0.2%	30.0%
BRENT CRUDE	44	-0.5%	-33.5%
LMEX	2907	1.2%	2.3%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 09:45 EST

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