

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

June 5, 2020

Global Markets

Taking further action to caution the economic impact of the COVID-19 outbreak, the ECB decided at yesterday's monetary policy meeting to increase the size of the PEPP facility by €600bn to a total of €130bn, extend the duration of the program from the end of 2020 to at least the end of June 2021 and reinvest the maturing principal payments from securities purchased under the PEPP until at least the end of 2022. In a positive reaction, EMU periphery sovereign bonds gained sharply, with Italy outperforming, while the EUR firmed across the board, rising above 1.08 vs. the CHF for the first time since January and hitting a fresh three-month peak of 1.1380 vs. the USD earlier today. Today focus is on the US non-farm payrolls report for the month of May, which is expected to show further job losses, but at a much slower pace than in April.

Greece

According to the ELSTAT seasonally adjusted (s.a.) data (provisional), in Q1-2020 real GDP decreased by 1.6%QoQ / 0.9%YoY. As regards the demand components, the changes of the s.a. data in volume terms are as follows: private consumption -0.9% QoQ / -0.7% YoY, government consumption 2.3% QoQ / 2.0% YoY, gross fixed capital formation -8.4% QoQ / -6.4% YoY, total exports +0.1% QoQ / +2.5% YoY (goods +2.7% QoQ / +4.7% YoY, services -2.3% QoQ / +0.01% YoY), total imports +5.4% QoQ / +0.2% YoY (goods +8.3% QoQ / +0.2% YoY, services -8% QoQ / +0.3% YoY). Meanwhile, according to the BoG, in Q1 2020 nominal apartment prices are estimated to have increased by 6.9%YoY, while according to revised data the average annual rate of increase in 2019 was 7.3% against 1.8% in 2018.

CESEE

Bulgaria: On a seasonally adjusted basis, GDP growth eased to 2.4% YoY in Q1, compared to 3.1% YoY in the previous quarter. On a quarterly basis, GDP growth slowed to 0.3% QoQ, vs 0.8% QoQ in Q4. The deceleration in the economic growth was broadly anticipated given the repercussions of the Covid19 pandemic from March onwards. The government imposed lockdown on March 13, resulting in temporary shutdowns in many sectors, among which tourism, retail, transports, sports and manufacturing. The government has projected a -3.0% GDP decline in 2020, and this forecast was more optimistic compared to that by international institutions. The IMF expected a -4.0% recession in its April forecast, the WB - 3.7% GDP and the EC projected a -7.2% drop in the economic growth for 2020.

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GLOBAL MARKETS
Stock markets

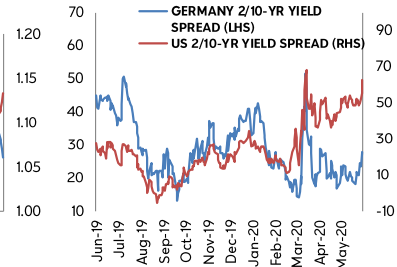
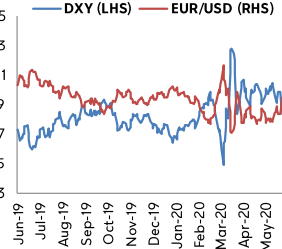
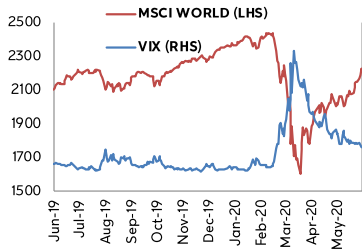
	Last	ΔD	ΔYTD
S&P 500	3112.35	-0.34%	-3.7%
Nikkei 225	22863.73	0.7%	-3.4%
STOXX 600	369.09	0.8%	-11.2%

FOREX

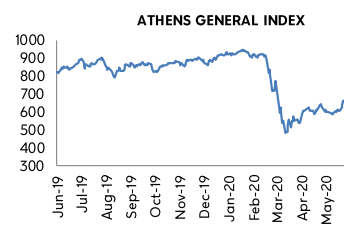
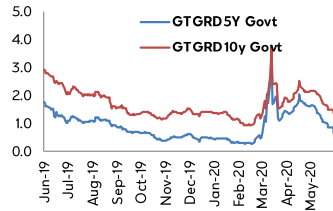
	Last	ΔD	ΔYTD
EUR/USD	1.1368	0.3%	1.4%
GBP/USD	1.2662	0.5%	-4.5%
USD/JPY	109.35	-0.2%	-0.7%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.85	3	-107
Bund-10yr	-0.30	2	-11
JGB - 10yr	0.05	2	6


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.66	-1	17
10Y Bond	1.37	-1	-7
Δ(10YBund-10YGGGB)	1.67	0	5


EMERGING MARKETS
Stock markets

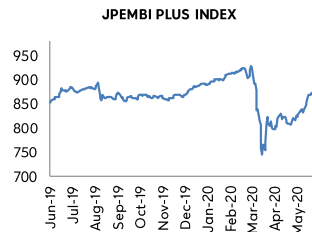
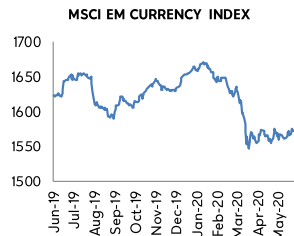
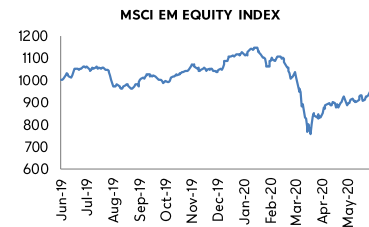
	Last	ΔD	ΔYTD
SOFIX	462.10	0.0%	-18.7%
BELEX	678.32	0.0%	-1538.9%
XU100	110294.10	0.7%	-361.0%

FOREX

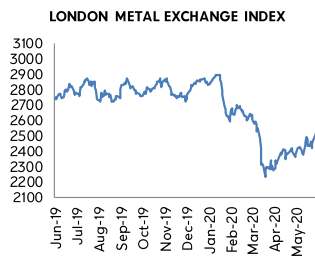
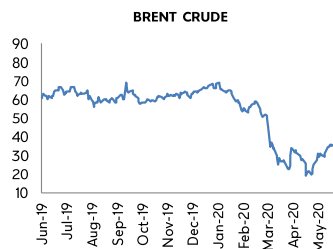
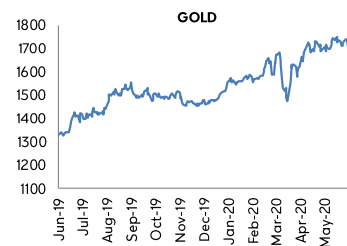
	Last	ΔD	ΔYTD
EUR/PLN	4.4269	0.2%	-3.9%
EUR/RSD	117.728	0.0%	0.0%
USD/TRY	6.7612	-0.1%	-12.0%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.52	-8	39
BG 8Y yield	Invalid Security		
PL 10Y yield	-1.38		


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1709	-0.3%	12.6%
BRENT CRUDE	40	1.1%	-38.8%
LMEX	2537	0.2%	-10.8%



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

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