

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

August 5, 2020

Global Markets

USTs extended recent gains following comments by Fed of San Francisco President Mary Daly that the US economy will need more support than initially anticipated on the view that Covid-19 “will be with us for longer and more vigorously” than initially thought. Meanwhile, talks between Republicans and Democrats on an additional relief package continue, with House Speaker Nancy Pelosi saying to reporters that the two sides have made “some progress on certain issues” but differences prevail. The 10-yr UST yield was hovering around 0.52% at the time of writing, close to yesterday’s fresh record low near 0.50% and still down 2bps so far this week. In FX markets, the USD was under pressure, with the EUR/USD revisiting levels above 1.18. Gold broke above \$2,000 per ounce, taking cumulative gains to about 34% so far this year.

Greece

The seasonally adjusted IHS Markit Greece Manufacturing PMI stood at 48.6 index points in July 2020, decreased compared to the respective reading of June 2020, which stood at 49.4 index points. The respective Eurozone Manufacturing PMI stood at 51.1 index points in July 2020 with only Greece and the Netherlands below the 50.0 index points threshold. The Greek PMI figure in July 2020 was improved compared to the historic low of April 2020 (29.5 index points) but was still significantly below the 50 index points threshold that distinguishes the expansion of production from contraction, as a result of the uncertainty surrounding the COVID-19 pandemic and its effect on economic activity domestically and abroad.

CESEE

SERBIA: According to official data released yesterday, the central government budget posted a deficit of RSD304.8bn (or 5.5% of GDP) in H1 2020, compared to a RSD 21.5bn surplus in the same period a year ago. The deterioration stems broadly from the fiscal measures adopted to address the negative impact from the Covid-19 pandemic. After the latest budget revision, the deficit target is at RSD381bn at central government level, so unless there is a sharp improvement in budget performance in H2 2020, the target renders rather ambitious. Revenues shrunk by 8.7%YoY in June and by 5.3%YoY in H1, reflecting mostly lower proceeds of corporate income tax, which were down by 46.2%YoY in June and by 26.0%YoY in H1, as the government has granted deferral of corporate income tax payments, which is expected to cost RSD 21bn.

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GLOBAL MARKETS

Stock markets

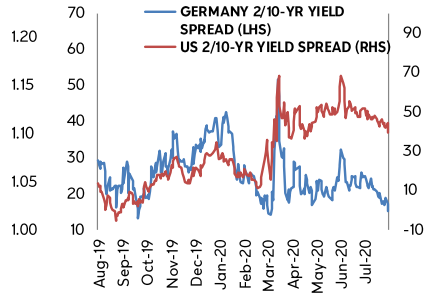
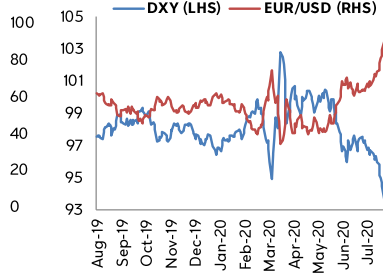
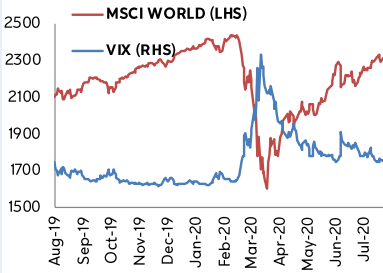
	Last	ΔD	ΔYTD
S&P 500	3306.51	0.36%	2.3%
Nikkei 225	22514.85	-0.3%	-4.8%
STOXX 600	365.86	0.7%	-12.0%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1828	0.2%	5.5%
GBP/USD	1.3115	0.3%	-1.1%
USD/JPY	105.63	0.1%	2.8%

Government Bonds

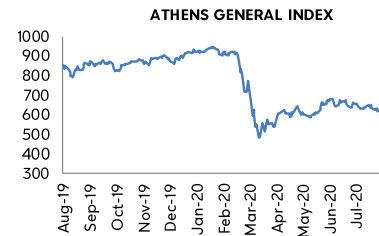
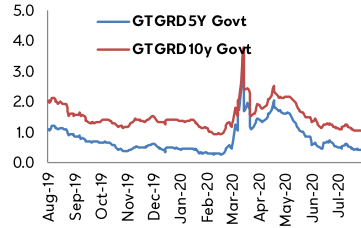
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.52	1	-140
Bund-10yr	-0.55	1	-36
JGB - 10yr	0.01	-1	2



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.40	-1	-8
10Y Bond	1.04	0	-39
Δ(10YBund-10YGGB)	1.58	0	-4



EMERGING MARKETS

Stock markets

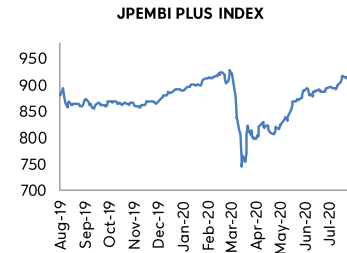
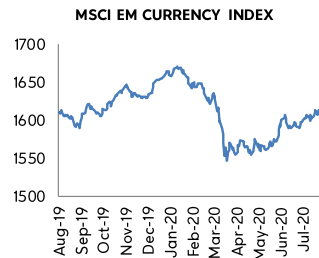
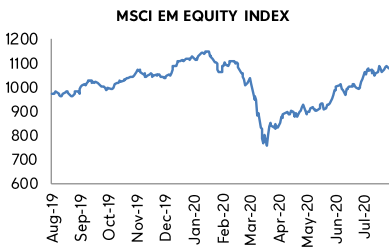
	Last	ΔD	ΔYTD
SOFIX	436.55	-0.1%	-23.2%
BELEX	664.62	-0.2%	-1709.8%
XU100	1082.09	-0.5%	-543.2%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.3951	0.0%	-3.2%
EUR/RSD	117.655	0.0%	0.1%
USD/TRY	6.9761	-1.1%	-14.7%

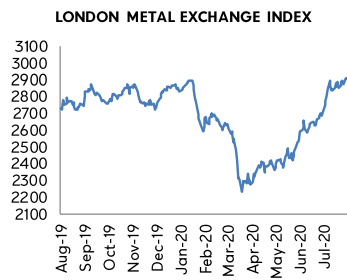
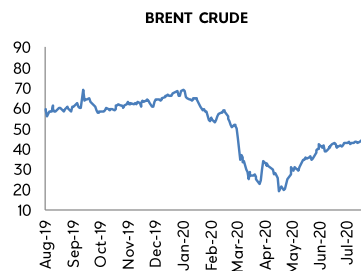
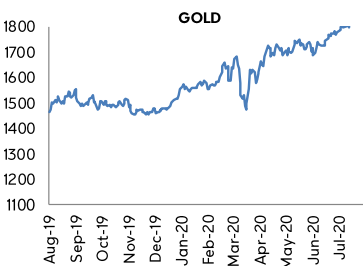
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	7.24	-7	111
BG 8Y yield	Invalid Security		
PL 10Y yield	1.26		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	2039	1.0%	34.4%
BRENT CRUDE	45	0.5%	-32.4%
LMEX	2907	0.0%	2.3%



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

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