

# GLOBAL & REGIONAL DAILY

## HIGHLIGHTS

October 5, 2020

### Global Markets

US non-farm payrolls rose by a slightly lower than expected 661k in September following a 1.5mn increase in August, while the unemployment rate dropped by 0.5pp to a lower than anticipated 7.9%, partly due to a 0.3pp fall in the participation rate to 61.4%. Turning to the EA, the headline CPI inflation declined further into negative territory in September, coming in at a four-year low of -0.3%YoY (-0.1pp), while core CPI fell to a fresh record low of 0.2%YoY (-0.2pp), supporting expectations for further ECB policy stimulus. Meanwhile, the USD moved slightly lower earlier, amid improved risk sentiment on the back of increased optimism over a US fiscal agreement and news that the health condition of US President Donald Trump is improving and he may be discharged from hospital today.

### Greece

The draft budget 2021 is expected to be tabled to Parliament today and it will reportedly envisage a GDP contraction around 8% in 2020 followed by a strong rebound of 5% to 6% in 2021 without the Next Generation EU funds, which could reach 6% to 7%. Meanwhile, according to the IMF's Staff Concluding Statement of the 2<sup>nd</sup> Post-Program Monitoring Mission, the economy is expected to contract by 9.5% in 2020, before gradually recovering over the medium term. The rebound is expected in 2021–22 to reach an average 5% growth annually, backed by the Next Generation EU funds and a recovery in foreign demand. Additionally, the IMF opines that the authorities should avoid a sharp fiscal contraction in 2021 and target a primary deficit of at least 2 percent of GDP.

### CESEE

SERBIA: The EUR/RSD held steady, remaining bound within a tight range of 117.50-117.65/EUR in the past week amid low trading volumes. The exchange rate is very likely to continue hovering around 117.60 during this week, considering NBS's consistency in intervening on the both sides of the said range, as well as the fact that the key policy rate (KPR) is widely anticipated to remain unchanged at the MPC meeting scheduled for October 8th. The Public Debt Agency sold RSD19.7bn of 12Y dinar-denominated T-bonds last Thursday. It allotted bonds at the yield of 4.30%, 30 bps higher compared to the yield achieved at the previous auction held a month ago. In the secondary bond market, there was also upward correction on the long end of the yield curve, with yields rising by 10bps on a weekly basis (for maturities longer than 10Y).

### Contributing Authors

**Paraskevi Petropoulou**  
Senior Economist  
[ppetropoulou@eurobank.gr](mailto:ppetropoulou@eurobank.gr)

**Anna Dimitriadou**  
Economic Analyst  
[andimitriadou@eurobank.gr](mailto:andimitriadou@eurobank.gr)

**Ioannis Gkionis**  
Senior Economist  
[igkionis@eurobank.gr](mailto:igkionis@eurobank.gr)

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## GLOBAL MARKETS

### Stock markets

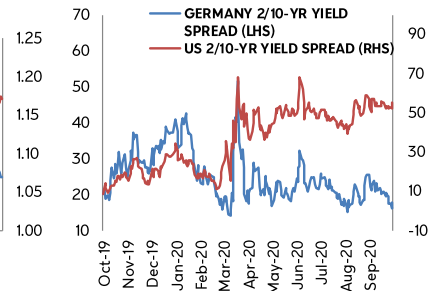
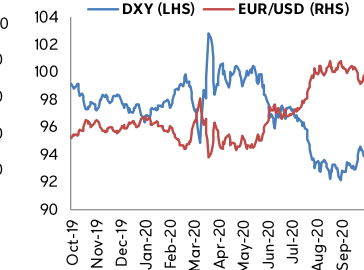
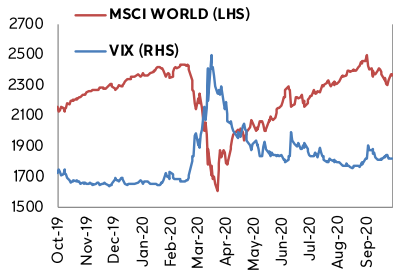
	Last	ΔD	ΔYTD
S&P 500	3348.44	-0.96%	3.6%
Nikkei 225	23312.14	1.2%	-1.5%
STOXX 600	362.69	0.2%	-12.8%

### FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1724	0.1%	4.5%
GBP/USD	1.2921	-0.1%	-2.5%
USD/JPY	105.59	-0.3%	2.9%

### Government Bonds

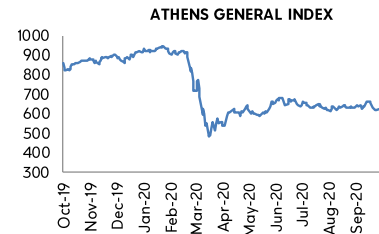
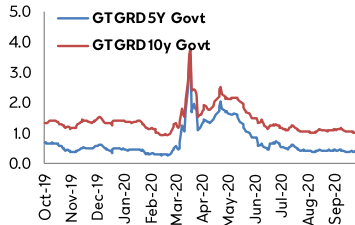
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.70	0	-122
Bund-10yr	-0.54	0	-35
JGB - 10yr	0.03	1	4



## GREECE

### Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.42	0	-7
10Y Bond	0.98	0	-45
Δ(10YBund-10YGG)	1.52	0	-10



## EMERGING MARKETS

### Stock markets

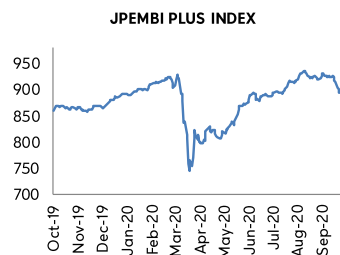
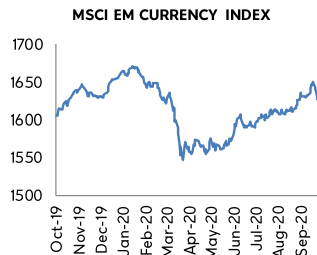
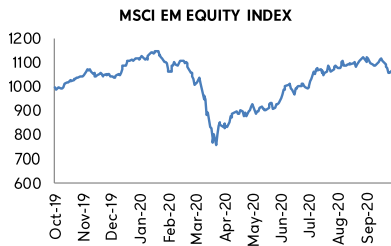
	Last	ΔD	ΔYTD
SOFIX	420.33	-1.2%	-26.0%
BELEX	694.84	0.4%	-1332.8%
XU100	1145.03	0.1%	6.8%

### FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.49	0.3%	-5.3%
EUR/RSD	117.578	0.1%	0.1%
USD/TRY	7.7613	0.2%	-23.3%

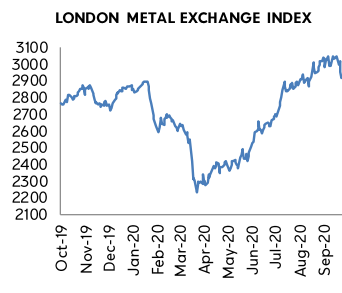
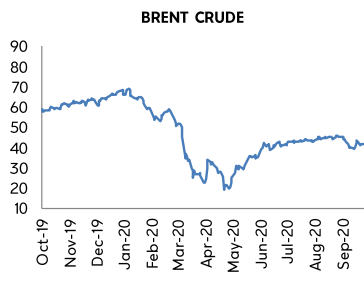
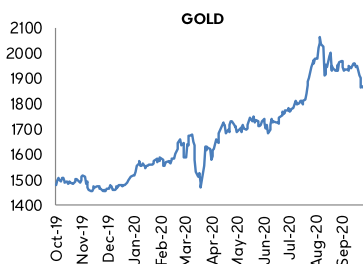
### Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.65	-7	52
BG 8Y yield	Invalid Security		
PL 10Y yield	1.32		



## COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1892	-0.4%	24.7%
BRENT CRUDE	40	1.8%	-39.4%
LME	2927	1.9%	2.9%



## 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 Stamatiou**  
Senior Economist  
tstamatiou@eurobank.gr  
+ 30 214 40 59 708



**Elia Tsiampaou**  
Economic Analyst  
etsiampaou@eurobank.gr  
+ 30 214 40 59 712

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