

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

February 6, 2020

Global Markets

Wall Street hit fresh all-time highs overnight following reports of a possible vaccine breakthrough for the 2019-nCoV (virus), although the World Health Organization downplayed hopes of progress. Global equity markets also advanced further on Thursday, after China's announcement that it would halve tariffs on \$75bn imported goods from the US starting on February 14. Risk-on sentiment dented demand for government debt, with the 10-yr UST and German Bund yields rising further to two-week highs of 1.68% and -0.34% in early European trade. Supported by stronger US Treasury rates, the USD/JPY firmed to a two-month high of 109.98, c. 1.6% higher compared with the three-week low of 108.31 hit on Friday. The January private payrolls' increase (+291k) in the ADP employment report –the highest since May 2015– and the uptick in the non-manufacturing ISM to its highest level since August (55.5) may have also had a positive impact.

Greece

In an interview, EC Economy Commissioner Paolo Gentiloni stated that the sooner the Greek government proceeds with reforms, the more open the European Finance Ministers will be about discussing the potential revision of the primary surplus targets. He also spoke in favour of the abolishment of the protection of the first residence for bad debtors, as the said framework has been subject to abuse by strategic defaulters, but did not object to some type of protection for poor households. It is reminded that the current household insolvency framework expires in April 2020 and the one that will replace it is among the focal points of the 5th Enhanced Surveillance Review, which is due end-February 2020.

CESEE

Bulgaria: An IMF mission arrived in Bulgaria on Tuesday and will stay until February 14 for the regular annual review of the economy, known also as consultation under Article IV. The main focus will be on the country's economic and financial development, implemented policies and prospects of the economy. *Serbia:* JP Morgan announced recently that Serbia has been placed in the Index Watch Positive for potential inclusion into the J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) series. The National Bank of Serbia (NBS) embraced the news, stating that such a development is a recognition of the country's sound macroeconomic results and progress in the reform agenda, both boosting investors' sentiment.

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GLOBAL MARKETS

Stock markets

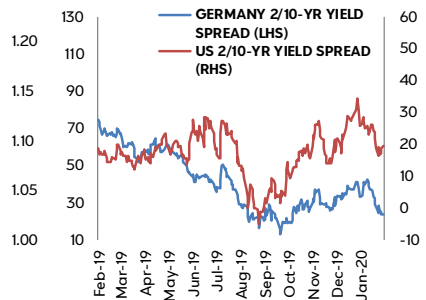
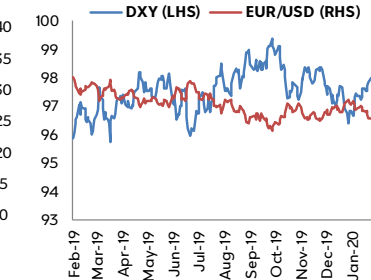
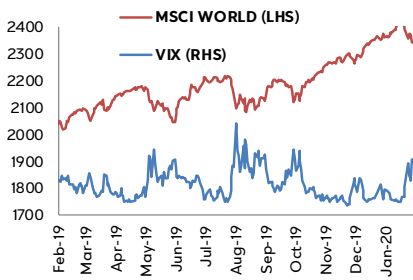
	Last	ΔD	ΔYTD
S&P 500	3334.69	1.13%	3.2%
Nikkei 225	23873.59	2.4%	0.9%
STOXX 600	425.70	0.5%	2.4%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.0994	0.0%	-2.0%
GBP/USD	1.2988	-0.1%	-2.0%
USD/JPY	109.93	-0.1%	-1.2%

Government Bonds

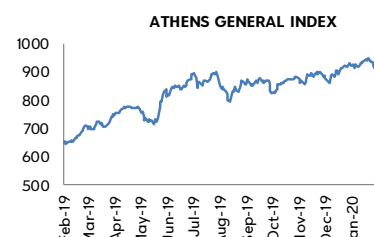
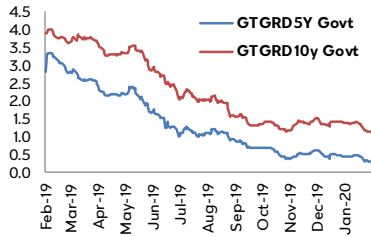
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.67	2	-25
Bund-10yr	-0.35	1	-16
JGB - 10yr	-0.02	2	-1



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.33	1	-15
10Y Bond	1.16	0	-27
Δ(10YBund-10YGG)	1.51	0	-11



EMERGING MARKETS

Stock markets

	Last	ΔD	ΔYTD
SOFIX	568.98	-0.2%	0.1%
BELEX	816.09	0.0%	179.6%
XU100	123254.60	0.8%	771.6%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.2549	-0.2%	0.0%
EUR/RSD	117.534	0.0%	0.2%
USD/TRY	5.9882	-0.1%	-0.6%

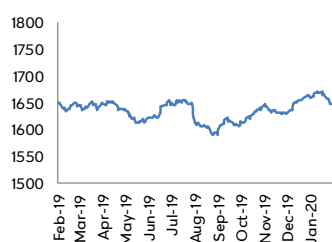
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	5.44	-3	-69
BG 8Y yield	Invalid Security		
PL 10Y yield	2.20		

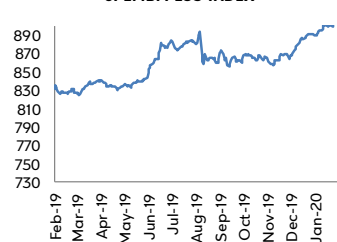
MSCI EM EQUITY INDEX



MSCI EM CURRENCY INDEX

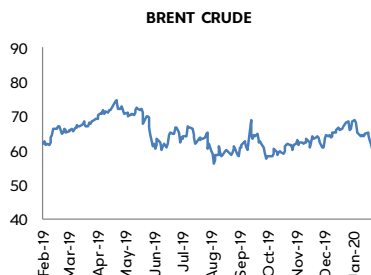
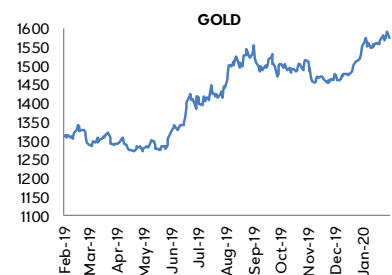


JPEMBI PLUS INDEX



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1560	0.2%	2.8%
BRENT CRUDE	56	1.3%	-15.2%
LME	2668	1.9%	-6.2%



LONDON METAL EXCHANGE INDEX



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