

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

April 6, 2020

Global Markets

Oil prices fell early on Monday with Brent crude standing 1.2% lower on the day at \$33.55/bbl on oversupply jitters after Saudi Arabia and Russia postponed the OPEC+ teleconference to 9 April, initially scheduled for today, aimed to reach a deal to end the slide in oil prices. Meanwhile, European bourses opened higher and US stock futures point to a positive open after the US President expressed hope that the country is seeing a “levelling off” of the coronavirus crisis in some of the nation’s hot spots. In FX markets, the USD retained a firm tone, shrugging off Friday’s disappointing US non-farm payrolls, as it remains the preferred safe-haven currency. Focus this week is on Tuesday’s Eurogroup video conference where a coordinated response to the economic fallout of the COVID-19 pandemic will be the key issue of discussion.

Greece

Focus turns on tomorrow’s video conference of the Eurogroup, which will work further on the coordinated response to the economic fallout of the COVID-19 pandemic, and the subsequent EU Summit two days later. According to press, three tools appear to prevail so far: a credit line with ‘light’ conditionality by the ESM, loan guarantees by the European Investment Bank to SMEs and funding of employment of €100 billion based on the EC’s scheme. As regards the first tool, Germany Finance Minister stated in an interview that the ESM loans will not require regular and time-consuming reviews of the countries that receive the loans, as was the case in previous adjustment programmes. It is noted that for Greece, the cost of the economic measures for March and April amount to €6.8 bn.

CESEE

Cyprus: On Friday afternoon, FITCH affirmed the long-term sovereign rating of Cyprus at BBB- but revised the outlook from positive to stable. The outlook revision reflects the significant impact of the Covid19 pandemic on the economy and on the fiscal position. Fitch now forecasts a GDP contraction of more than 2% in 2020, down from an expansion of 3.2% in 2019. Risks to this baseline forecast are tilted firmly to the downside, as it is assumed that the coronavirus can be contained in 2H-2020, leading to a relatively strong economic recovery in 2021. In the event of a second wave of infections and the widespread resumption of lockdown measures, economic outturns would be significantly weaker for 2020 and 2021. Finally, the pandemic impact is expected to push the fiscal balance to a deficit to 1% of GDP vs a surplus of 2.8% in 2019.

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GLOBAL MARKETS

Stock markets

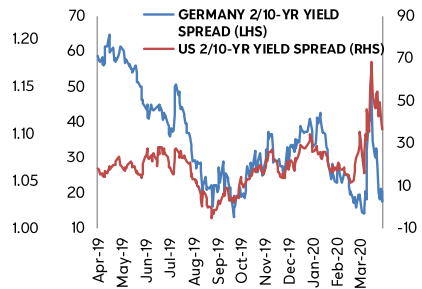
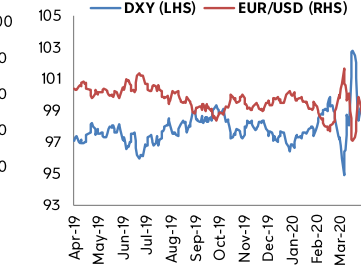
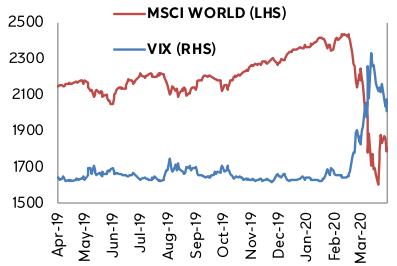
	Last	ΔD	ΔYTD
S&P 500	2488.65	-1.51%	-23.0%
Nikkei 225	18576.30	4.2%	-21.5%
STOXX 600	318.56	3.1%	-23.4%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.0817	0.1%	-3.5%
GBP/USD	1.2284	0.1%	-7.3%
USD/JPY	109.33	-0.7%	-0.7%

Government Bonds

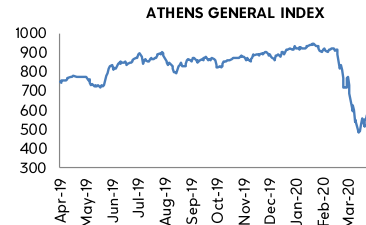
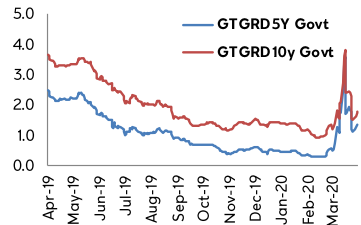
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.66	6	-126
Bund-10yr	-0.40	4	-22
JGB - 10yr	0.01	2	2



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	1.49	2	100
10Y Bond	1.92	0	48
Δ(10YBund-10YGGB)	2.32	0	70



EMERGING MARKETS

Stock markets

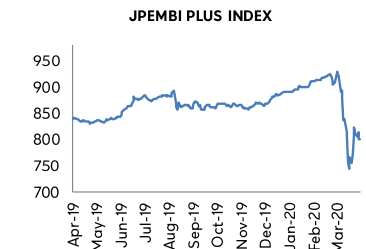
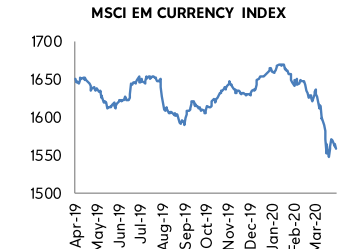
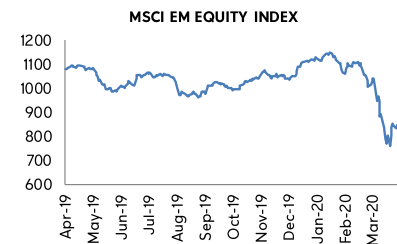
	Last	ΔD	ΔYTD
SOFIX	426.34	0.7%	-25.0%
BELEX	645.32	0.0%	-1950.5%
XU100	90958.92	1.6%	-2050.8%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.5511	0.6%	-6.5%
EUR/RSD	117.552	0.2%	0.2%
USD/TRY	6.7401	-0.1%	-11.7%

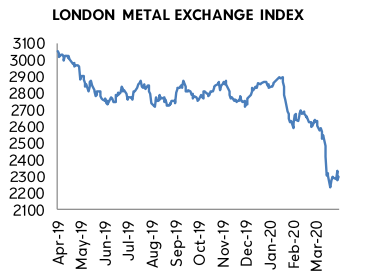
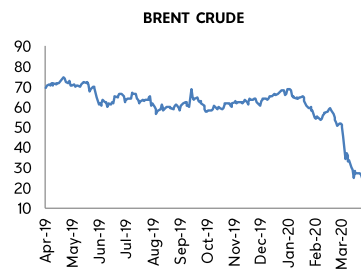
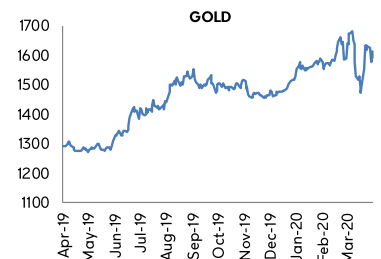
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	9.49	-6	336
BG 8Y yield	Invalid Security		
PL 10Y yield	1.67		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1627	0.4%	7.3%
BRENT CRUDE	34	-1.3%	-49.0%
LMEX	2276	-1.0%	-20.0%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 10:30 EEST

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