

# GLOBAL & REGIONAL DAILY

## HIGHLIGHTS

October 6, 2020

### Global Markets

The final EA services PMI for September was revised higher by 0.4pts to 48.0, but still below August's 50.5, pressured by a resurgence in virus cases and the ensuing adoption of tighter localized restrictions in several EA countries, mainly Spain and France. As a result, the final EA PMI composite output index was revised up to a three-month high of 50.4, taking the Q3 average to 52.4, sharply higher compared to 31.3 in Q2, pointing to a hefty bounce in Q3 GDP. Regarding activity data, EA retail sales rose by 4.4%MoM in August, moving 3.1% higher from pre-crisis levels following an impressive rebound after April's trough. Meanwhile, risk-on mode prevailed and the USD remained under pressure on optimism for a US fiscal stimulus deal and news that the US President met hospital discharge criteria and returned to the White House.

### Greece

According to the 2021 draft budget that was submitted to Parliament yesterday, 2021 real GDP is expected to recover 83.2% of the losses of 2020, with an annual growth rate of 7.5%, backed also by the Next Generation EU funds. The unemployment rate is projected at 16.5% of the workforce, improved by 2.1 percentage points compared to 2020, while the primary deficit is expected to reach 1% of GDP. In the adverse scenario, whereby the epidemiological situation worsens more than expected, GDP growth is seen at 4.5% and the primary deficit at 3% of GDP. Meanwhile, the Eurogroup that convened yesterday commended the Greek authorities on the progress made in the context of the 7th Enhanced Surveillance Report, which is not however linked to the return of SMP/ANFA profits.

### CESEE

**Cyprus:** Fitch became the second rating agency, after S&P in early September, to affirm the investment grade status of Cyprus. The BBB- long term sovereign rating balances the country's institutional strength reflected in per capita GDP and governance indicators in line with the 'A' median rather than 'BBB', a track record of robust economic recovery and sound fiscal policy prior to the COVID-19 shock with balance sheet weaknesses, in particular, a further increase in the high public debt and declining, but still elevated NPEs in the banking sector. Fitch forecasts a -6% GDP contraction in 2020 followed by a growth rebound of 4% in 2021 and 2.7% in 2022. On the data front, tourism revenues collapsed to €122.0mn in 7M-2020 compared to €1.003,2 mn in 7M-2019, down by -87.8%.

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## GLOBAL MARKETS

### Stock markets

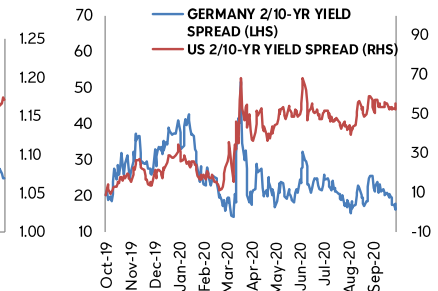
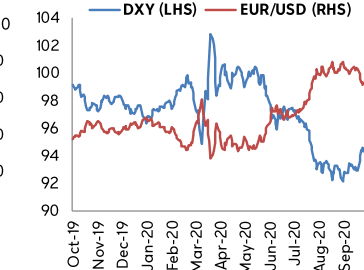
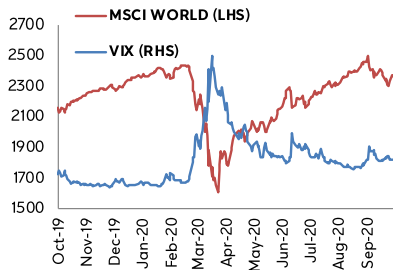
	Last	ΔD	ΔYTD
S&P 500	3408.63	1.80%	5.5%
Nikkei 225	23433.73	0.5%	-0.9%
STOXX 600	365.63	0.8%	-12.1%

### FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1784	0.0%	5.1%
GBP/USD	1.2989	0.1%	-2.0%
USD/JPY	105.69	0.1%	2.8%

### Government Bonds

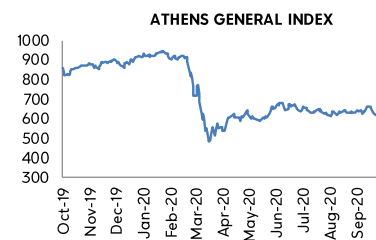
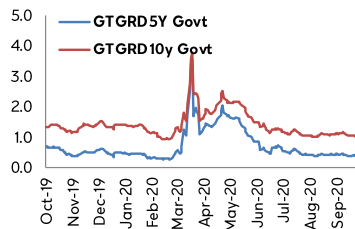
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.76	-2	-115
Bund-10yr	-0.51	0	-33
JGB - 10yr	0.04	1	5



## GREECE

### Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.41	0	-8
10Y Bond	0.97	0	-46
Δ(10YBund-10YGGB)	1.49	0	-13



## EMERGING MARKETS

### Stock markets

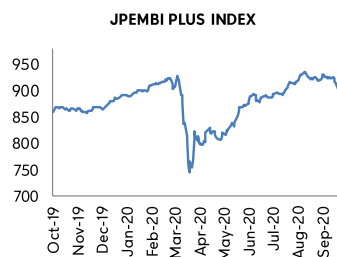
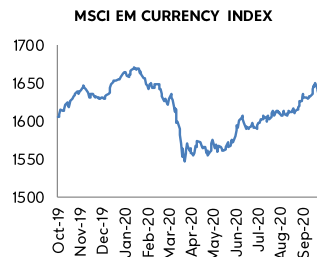
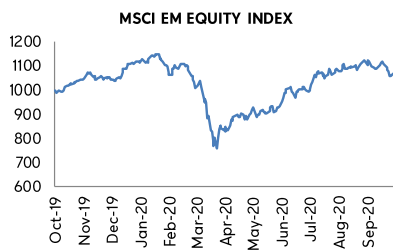
	Last	ΔD	ΔYTD
SOFIX	421.91	0.4%	-25.7%
BELEX	694.30	-0.1%	-1339.5%
XU100	1160.71	1.4%	143.8%

### FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.4981	-0.1%	-5.4%
EUR/RSD	117.625	0.0%	0.1%
USD/TRY	7.7598	0.0%	-23.3%

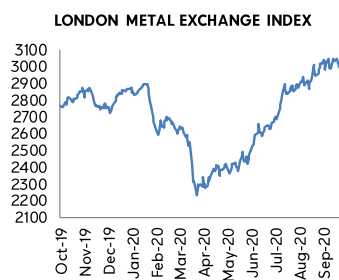
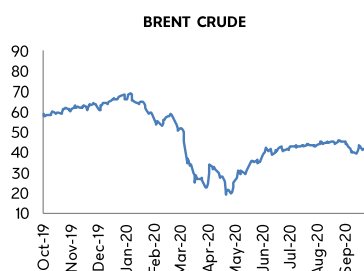
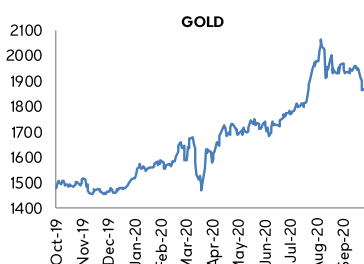
### Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.56	-7	43
BG 8Y yield	Invalid Security		
PL 10Y yield	1.36		



## COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1911	-0.1%	26.0%
BRENT CRUDE	41	0.4%	-37.2%
LME X	2928	0.0%	3.0%



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