

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

April 7, 2020

Global Markets

Risk-on mode prevailed in early trade on Tuesday with global equity markets gaining for the second session in a row, on tentative signs of a slowdown in the spread of the COVID-19 in some countries, including Italy and Spain, the two Eurozone countries most hit by the pandemic. Dented by the improved tone in equity markets, government bonds came under pressure, but losses were modest reflecting ongoing worries over the damage of the crisis on human lives and the global economy. In FX markets, the USD lost some ground with the DXY index standing at around 100.090 at the time of writing, some 0.7% lower from yesterday's near two-week highs. Today the Eurogroup convenes via teleconference and is expected to take important decisions concerning the joint political response to the COVID-19 crisis.

Greece

At the Eurogroup today, interest will be focused on the ESM credit line. While there seems to be an agreement on mild conditionality initially, some countries support imposing stricter fiscal and macroeconomic terms in the medium term. Meanwhile, according to press, there will be significant delays in the privatisations programme due to the COVID19 pandemic and consequent lockdown, affecting among others, projects such as the sale of DEPA Commercial, DEPA Infrastructure and the Athens International Airport. As a result, the expected privatisations revenue for 2020 will be significantly lower than the €2,4 billion projected by HRADF, possibly around €370 million, which incorporates the first disbursement of the Hellinikon concession and the proceeds from the sale of the Alimos marina.

CESEE

Cyprus: The Public Debt Management Office (PDMO) mandated Barclays, J.P. Morgan, Morgan Stanley and Societe Generale as joint lead managers for a €2bn dual-tranche syndicated bond transaction, aiming at issuing April 2027- and April 2050- dated bonds. In addition, the PDMO revised the financing needs of 2020 from €2.25bn to €5.5bn. In its market communication the PDMO assessed that the GDP is expected to contract by about -5.0% and -9.7% during 2020, and unemployment is estimated to rise to 9% compared to 7.1% in 2019. In the context of the projections that will be included in the forthcoming Stability Programme 2020-2023, the baseline scenario assumes that the Covid19 pandemic will impact the economy primarily during the second quarter, while a rebound is expected in the second half of the year.

Contributing Authors

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Ioannis Gkionis
Senior Economist
igkionis@eurobank.gr

GLOBAL MARKETS

Stock markets

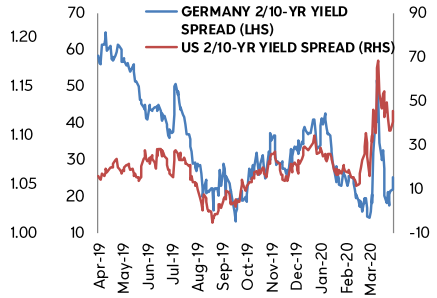
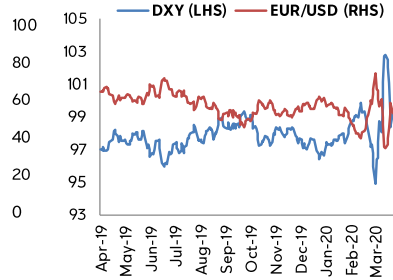
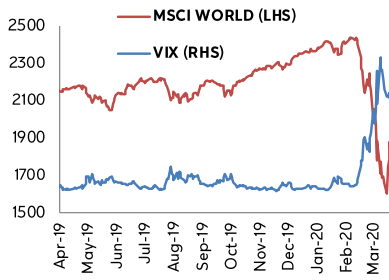
	Last	ΔD	ΔYTD
S&P 500	2663.68	7.03%	-17.6%
Nikkei 225	18950.18	2.0%	-19.9%
STOXX 600	328.27	2.4%	-21.1%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.0867	0.7%	-3.1%
GBP/USD	1.233	0.8%	-7.0%
USD/JPY	108.95	0.2%	-0.3%

Government Bonds

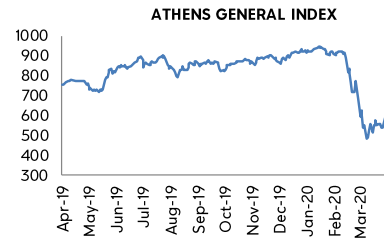
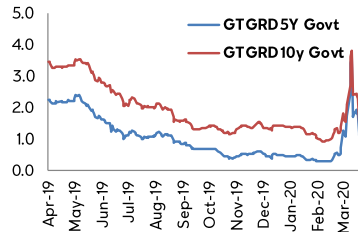
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.75	8	-117
Bund-10yr	-0.37	5	-19
JGB - 10yr	0.02	0	3



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	1.42	-1	93
10Y Bond	1.87	-1	44
Δ(10YBund-10YGGB)	2.25	0	63



EMERGING MARKETS

Stock markets

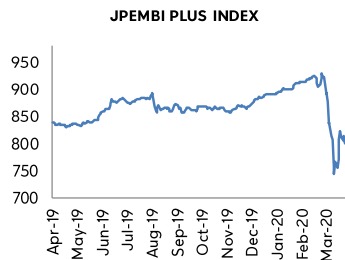
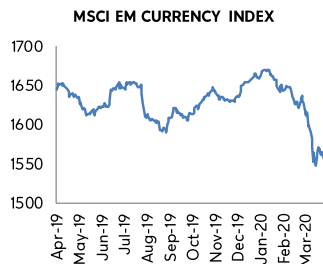
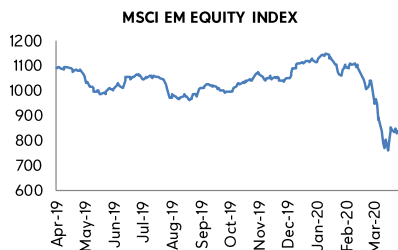
	Last	ΔD	ΔYTD
SOFIX	431.03	0.8%	-24.1%
BELEX	668.12	0.6%	-1666.1%
XU100	94118.26	2.2%	-1774.7%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.532	0.7%	-6.1%
EUR/RSD	117.602	-0.1%	0.1%
USD/TRY	6.7263	0.8%	-11.5%

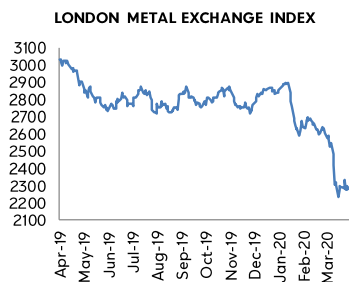
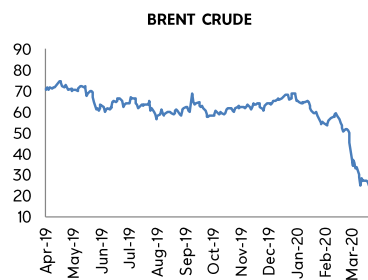
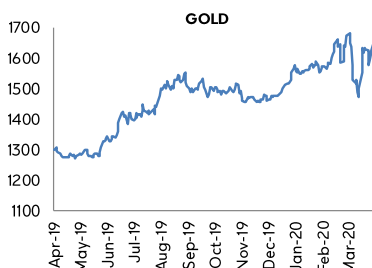
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	9.22	-43	308
BG 8Y yield	Invalid Security		
PL 10Y yield	1.62		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1649	-0.7%	8.7%
BRENT CRUDE	34	2.4%	-48.7%
LMEX	2289	0.6%	-19.5%



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 Stamatou
Senior Economist
tstamatou@eurobank.gr
+ 30 214 40 59 708



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

More research available at: <https://www.eurobank.gr/en/group/economic-research>
Subscribe electronically at: <https://www.eurobank.gr/el/omilos/oikonomikes-analiseis..>
Follow us on twitter: https://twitter.com/Eurobank_Group
Follow us on LinkedIn: <https://www.linkedin.com/company/eurobank>

DISCLAIMER

This report has been issued by Eurobank S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees. Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

