

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

July 8, 2020

Global Markets

Investors adopted a cautious stance on risk assets in early trade today as the resurgence of Covid-19 cases and the imposition of local restrictions in some countries undermine prospects for a quick economic recovery. Favored by its safe-haven appeal, the USD firmed, with the EUR/USD moving back to around 1.1280/90 in early European trade today after a spike to 1.1332 on Tuesday. The EUR also lost ground against the GBP retreating below 0.90 as investors await UK Chancellor Rishi Sunak's summer statement to parliament, which is set to include new tax and spending measures aiming to mitigate the economic impact of the virus. In other news, according to the European Economic Forecast Summer 2020 interim report, the Eurozone is forecast to contract by around 8.7% in 2020 before recovering by a growth rate of 6.1% in 2021.

Greece

According to the European Economic Forecast Summer 2020 interim report, Greek GDP is expected to contract by 9% in 2020 and rebound by 6% in 2021. The full economic effect of the containment measures is expected to materialise in Q2-2020 through a strong decline in demand and exports, particularly tourism. Nevertheless, the implementation of fiscal measures of c. 9½% of GDP to counteract the economic impact of the pandemic should partially cushion domestic demand and employment and prevent widespread bankruptcies. It should be noted that the forecast is subject to high uncertainty with downside risks related to the eventual impact of the pandemic on tourism and travel and upside risks related to a potentially milder impact on domestic demand, if sentiment improves.

CESEE

Bulgaria: In the EC Summer Economic Forecast released yesterday, the European Commission (EC) lowered its real GDP contraction projection for Bulgaria in 2020 to -7.0% down from -7.2% in the spring forecast. GDP growth is expected to rebound by 5.3% in 2021, less than the 6.0% growth projected earlier in May. The EC estimates that the risks to the outlook are balanced and in line with those of the rest of the EU. Specifically, with the easing of lockdown measures, private consumption is expected to rebound in the second half of the year and continue to expand at a moderate pace in 2021 as consumer confidence is gradually restored. Investment is expected to return to positive quarterly growth only next year, mainly because uncertainty remains high.

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GLOBAL MARKETS
Stock markets

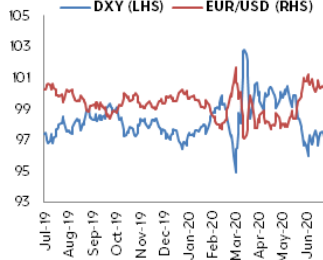
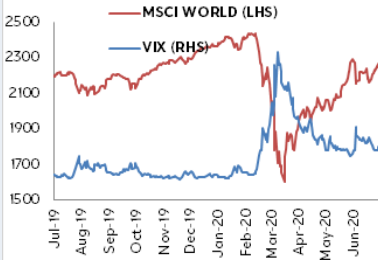
	Last	ΔD	ΔYTD
S&P 500	3145.32	-1.08%	-2.6%
Nikkei 225	22438.65	-0.8%	-5.1%
STOXX 600	368.96	-0.6%	-11.3%

FOREX

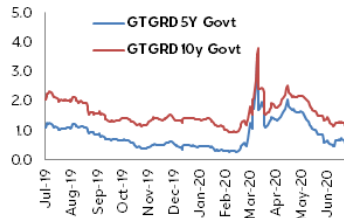
	Last	ΔD	ΔYTD
EUR/USD	1.1274	0.0%	0.5%
GBP/USD	1.2549	0.1%	-5.3%
USD/JPY	107.53	0.0%	1.0%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10Yr	0.64	0	-127
Bund-10Yr	-0.44	-2	-26
JGB - 10Yr	0.03	-2	4


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.49	-1	0
10Y Bond	1.11	0	-33
Δ10YBund-10YGGB	155	0	-7


EMERGING MARKETS
Stock markets

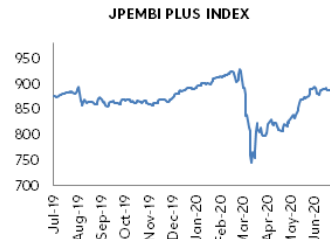
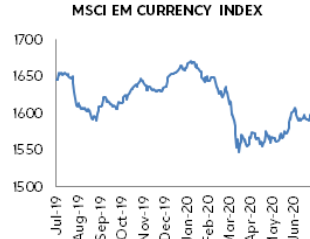
	Last	ΔD	ΔYTD
SOFIX	446.22	-0.2%	-21.5%
BELEX	659.93	-0.1%	-1768.3%
XU100	119338.90	0.7%	429.4%

FOREX

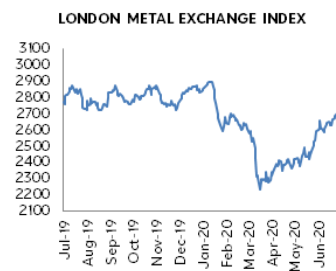
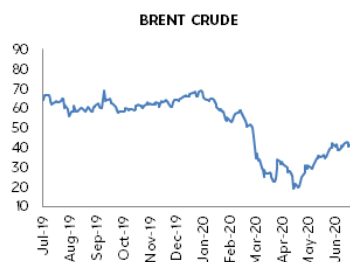
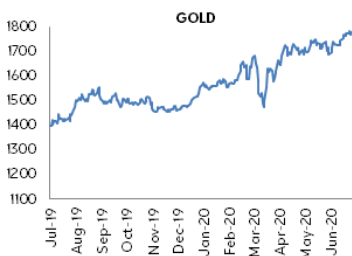
	Last	ΔD	ΔYTD
EUR/PLN	4.4775	0.0%	-5.0%
EUR/RSD	117.599	0.2%	0.1%
USD/TRY	6.8626	-0.1%	-13.3%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.58	-7	45
BG 8Y yield	Invalid Security		
PL 10Y yield	1.35		


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1795	0.0%	18.3%
BRENT CRUDE	43	-0.5%	-35.0%
LMEX	2746	0.7%	-3.4%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 09:30 EEST

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