

# GLOBAL & REGIONAL DAILY

## HIGHLIGHTS

January 9, 2020

### Global Markets

Risk aversion eased on reduced fears over a further immediate escalation in the Middle East after a US strike on 3 January that killed a senior Iranian military commander. US President Donald Trump responded to yesterday's Iranian attack on US military bases in Iraq with economic sanctions, not violence, and Iran did not offer signals over further retaliation. European bourses opened higher, USTs and Bunds gave back part of recent hefty gains earlier today, while oil and gold prices dropped to levels that prevailed before the killing of the Iranian commander. In FX markets, safe-haven currencies including the JPY and the CHF weakened and the EUR/USD lost some ground, dented by positive US ADP employment data and recent German figures suggesting that industrial production will likely decline further in Q4 2019.

### Greece

The Economic Sentiment Indicator in Dec-19 rose by 2.5 points MoM reaching 109.5 points, the highest level since Oct-07 and for the 6<sup>th</sup> month above Eurozone average. All individual sub-indices improved (Industry +0.6, Services +11.3, Consumer +0.6 and Construction +27.5) except Retail (-3.0). Meanwhile, addressing the personnel of the BoG yesterday, its Governor Yiannis Stournaras estimated that GDP growth will be a little above 2% in 2019 and c. 2.5% in 2020 while the primary surplus targets of 3.5% of GDP will be met in both these years. He also expressed optimism regarding the reduction of NPLs through the asset protection scheme 'Hercules' but also the scheme that is being developed by the BoG, which in addition to NPLs will also address the deferred tax problem.

### CESEE

CESEE: In the Global Economic Prospects report released yesterday, the World Bank (WB) maintained its GDP growth forecast for Bulgaria at 3.0% in 2020 and 3.1% in both 2021 and 2022 while it raised its GDP growth projection for 2019 to 3.6%. Regarding Serbia, the WB trimmed its 2020 GDP growth forecast to 3.9% from 4.0% in June and it also lowered its 2019 GDP growth projection to 3.3% from 3.5% earlier, forecasting GDP growth at 4.0% in 2021-22. Finally, the WB perceives the economic activity in Turkey as recovering from the earlier financial turmoil at a faster-than-expected pace on the back of domestic demand rebound. Thus, GDP growth is projected to recover to 3.0% in Turkey in 2020 and increase further to 4.0% in both 2021 and 2022.

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## GLOBAL MARKETS

### Stock markets

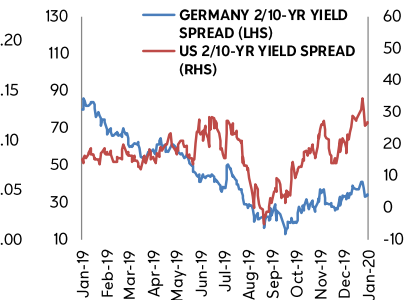
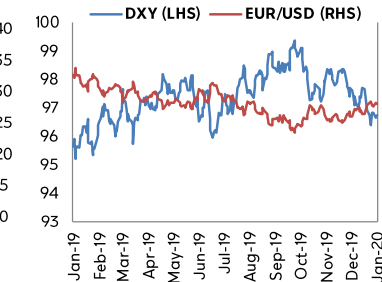
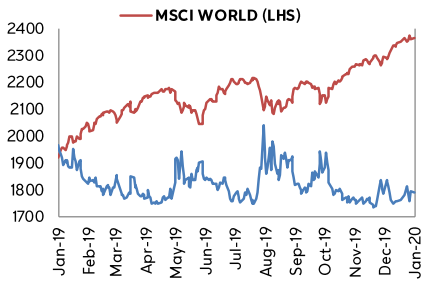
|            | Last     | ΔD    | ΔYTD |
|------------|----------|-------|------|
| S&P 500    | 3253.05  | 0.49% | 0.7% |
| Nikkei 225 | 23739.87 | 2.3%  | 0.4% |
| STOXX 600  | 418.36   | 0.2%  | 0.6% |

### FOREX

|         | Last   | ΔD    | ΔYTD  |
|---------|--------|-------|-------|
| EUR/USD | 1.1107 | 0.0%  | -1.0% |
| GBP/USD | 1.3102 | 0.0%  | -1.2% |
| USD/JPY | 109.33 | -0.2% | -0.7% |

### Government Bonds

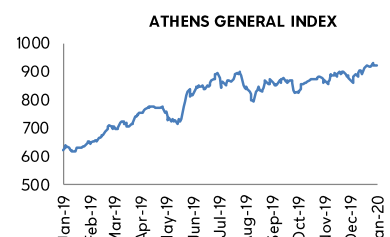
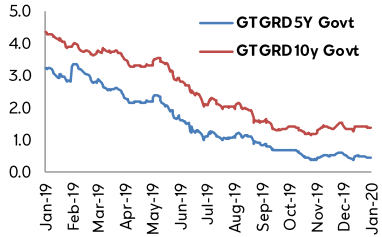
| (yields)   | Last  | ΔDbps | ΔYTD bps |
|------------|-------|-------|----------|
| UST - 10yr | 1.87  | 0     | -5       |
| Bund-10yr  | -0.19 | 1     | -1       |
| JGB - 10yr | 0.01  | 1     | 2        |



## GREECE

### Government Bonds

| (yields)         | Last | ΔDbps | ΔYTDbps |
|------------------|------|-------|---------|
| 5Y Bond          | 0.46 | 0     | -2      |
| 10Y Bond         | 1.38 | 0     | -5      |
| Δ(10YBund-10YGG) | 1.58 | 0     | -4      |



## EMERGING MARKETS

### Stock markets

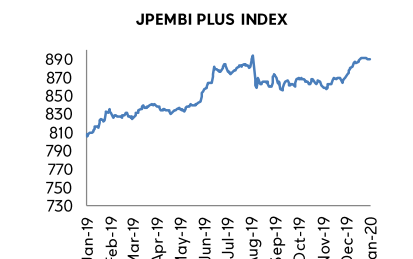
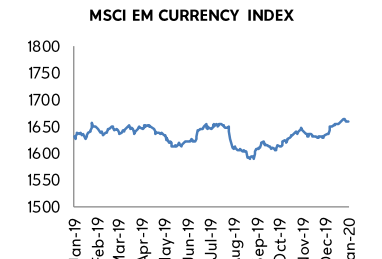
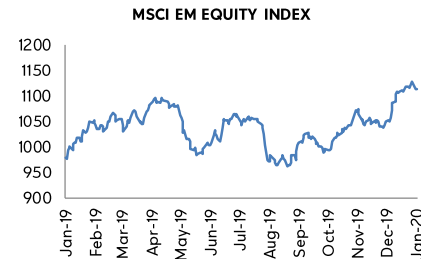
|       | Last      | ΔD    | ΔYTD   |
|-------|-----------|-------|--------|
| SOFIX | 575.75    | 0.0%  | 1.3%   |
| BELEX | 798.18    | -0.4% | -43.8% |
| XU100 | 115575.20 | 2.4%  | 100.5% |

### FOREX

|         | Last    | ΔD    | ΔYTD |
|---------|---------|-------|------|
| EUR/PLN | 4.2363  | -0.1% | 0.4% |
| EUR/RSD | 117.581 | 0.0%  | 0.1% |
| USD/TRY | 5.8906  | 0.3%  | 1.0% |

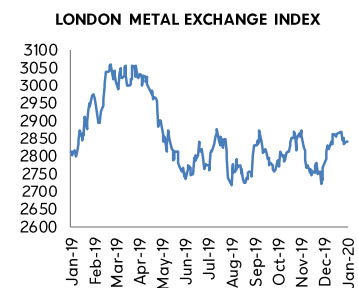
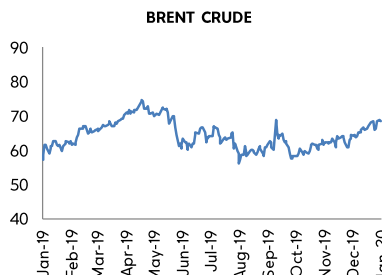
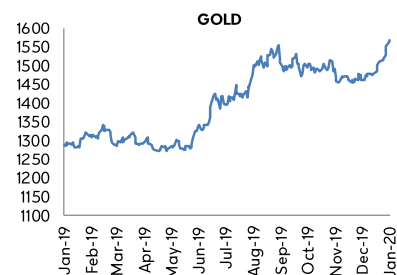
### Government Bonds

|              | Last | ΔDbps | ΔYTD bps |
|--------------|------|-------|----------|
| TR 10Y yield | 5.98 | -5    | -15      |
| BG 8Y yield  | 0.13 | 0     | #N/A N/A |
| PL 10Y yield | 2.22 | 2     | #N/A N/A |



## COMMODITIES

|             | Last | ΔD    | ΔYTD  |
|-------------|------|-------|-------|
| GOLD        | 1546 | -0.7% | 1.9%  |
| BRENT CRUDE | 65   | -0.1% | -0.9% |
| LMEX        | 2851 | 0.3%  | 0.3%  |



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