

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

July 10, 2020

Global Markets

US initial jobless claims fell for the 14th consecutive week, but the pace of decline has slowed in recent weeks compared to that reported in April and May, while, combining regular state programs and emergency programs related to Covid-19, the total number of continuing claims reached new all-time highs. In addition, two of the biggest UK retailers warned that they have to close a number of stores to survive putting at risk around more than 5,000 jobs, while Germany's exports rebounded by a lower-than-expected 9.0%MoM in May. In reaction to the above poor data and the slow-down in the re-opening of several US states due to new daily records in new cases, the DXY index was firmer in early European trade today, while both US Treasuries and German Bunds regained momentum.

Greece

According to the Foundation for Economic and Industrial Research, which released yesterday its quarterly report on the Greek economy for Q2-2020, the 2020 recession will reach 7.5% in the baseline scenario. Nevertheless, if conditions in the Greek and international environment deteriorate in Q3, with a severe negative impact on tourism and transport or a significant outbreak of the virus in the fall, it is quite possible that the recession will move closer to 10.5%. Meanwhile, COVID-19 cases are on the rise in the past few days, with almost 2/3 of daily new cases on average being recorded at the country's entry points. Yesterday, there were 50 new cases, and a potential higher increase in infections could lead to local lockdowns.

CESEE

Serbia: The NBS decided yesterday to keep the key policy rate unchanged at 1.25%, after delivering an unexpected 25bp cut in June. The NBS adopted a wait-and-see mode this time in order to assess the effect of the 3 previous cuts in 2020 that sum up to 100bps cumulatively and their contribution in the preservation of favorable financing terms for businesses and individuals. The expected positive effects of the fiscal stimulus package (amounting to about 11% of GDP) to the private sector were also taken into account in the decision. The NBS's Executive Board reiterated, inter alia, that the strongest negative effect of the pandemic on the domestic economy was mostly felt in April, and expressed the view that recovery will follow in the coming months that should lead to GDP growth of at least 6% in 2021.

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GLOBAL MARKETS

Stock markets

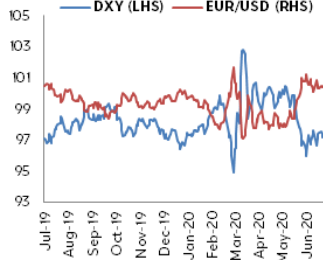
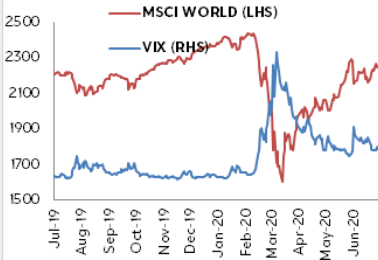
	Last	ΔD	ΔYTD
S&P 500	3152.05	-0.56%	-2.4%
Nikkei 225	22290.81	-1.1%	-5.8%
STOXX 600	362.27	-0.4%	-12.9%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1268	-0.2%	0.5%
GBP/USD	1.2587	-0.2%	-5.0%
USD/JPY	106.81	0.4%	1.7%

Government Bonds

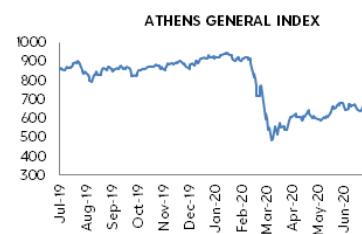
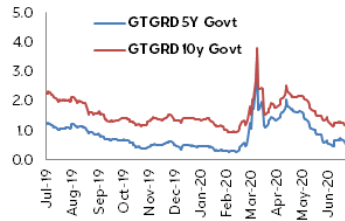
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10Yr	0.59	-3	-133
Bund-10Yr	-0.48	-1	-29
JGB - 10Yr	0.02	-1	4



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.48	0	-1
10Y Bond	1.10	1	-34
Δ10YBund-10YGGB	1.57	0	-5



EMERGING MARKETS

Stock markets

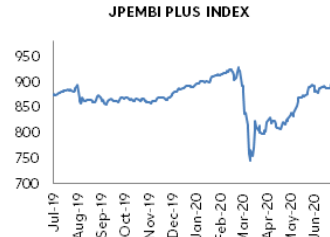
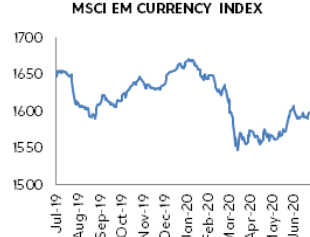
	Last	ΔD	ΔYTD
SOFIX	445.52	0.0%	-21.6%
BELEX	657.46	-0.3%	-1799.1%
XU100	113859.50	-1.7%	-49.4%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.4685	0.0%	-4.8%
EUR/RSD	117.648	0.1%	0.1%
USD/TRY	6.8658	-0.1%	-13.3%

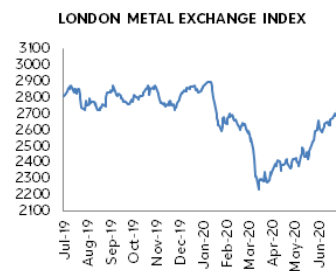
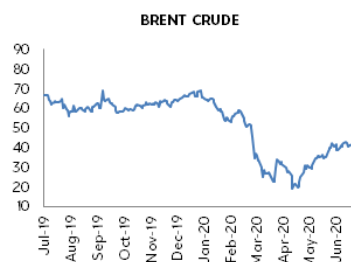
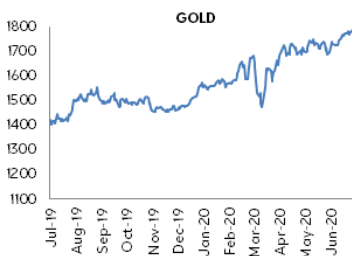
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.72	-4	59
BG 8Y yield	Invalid Security		
PL 10Y yield	1.31		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1799	-0.3%	18.6%
BRENT CRUDE	42	-1.7%	-36.9%
LMEX	2798	0.8%	-1.6%



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

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