

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

September 10, 2020

Global Markets

Market focus today is on the ECB policy meeting and the updated staff macroeconomic projections, which, according to some reports, will likely reveal a slightly firmer GDP trajectory for the EA. The Governing Council is widely expected to stay put on interest rates, while ECB President Christine Lagarde is anticipated to sound dovish enough to keep alive market expectations for additional monetary policy easing. Elsewhere, the UK government published yesterday its controversial Internal Markets Bill that, if passed into law, would authorize Ministers to re-write parts of the Northern Irish Protocol, which was signed and ratified with the EU last year, as part of the legally-binding EU Withdrawal Agreement. The European Commission has called for an emergency EU-UK joint committee to discuss the issue.

Greece

According to ELSTAT, the overall industrial production index (IPI) in Jul-20 fell by 0.2%YoY, while in Jul-19 it had decreased by 2.0%YoY. The largest annual decreases were recorded in coal and lignite-crude petroleum-mining support service activities, leather and related products and wearing apparel, while the largest annual increases were recorded in mining of metal ores, repair and installation of machinery and equipment, and motor vehicles, trailers and semi-trailers. The average overall IPI for the period Jan-Jul 2020 fell by 3.8% compared with the average IPI of the corresponding period of 2019. In other news, tomorrow's Eurogroup is reportedly expected to maintain the easing of the fiscal rules, while the current status is not likely to be revised before the spring 2021, according to press.

CESEE

Serbia: The Ministry of Finance raised RSD717mn in 12-year bonds on Wednesday, resulting in a well below target issuance. The initial scope of the auction was RSD61.2bn, but the Ministry capped the placement up to RSD 5bn. Still, investors' interest proved more lukewarm than expected, leading to placed bids up to RSD1.2bn. The notes bear a 4.5% coupon and were sold at an average yield of 4.0%, higher than the 3.85% achieved at the August 18 identical auction. On the public finance front, Minister of Finance, Sinisa Mali stated that the government will have the budget revised again by October, following the first revision that took place in April, after it grasps whether the economy is navigating out of the Covid-19 crisis. Up to now, the government has adopted countercyclical measures worth EUR5.8bn (12.5% of GDP).

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GLOBAL MARKETS

Stock markets

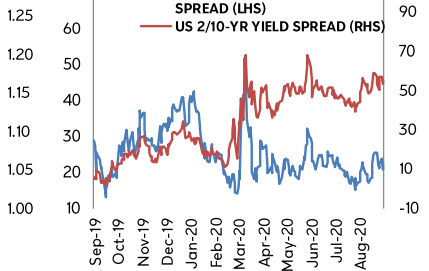
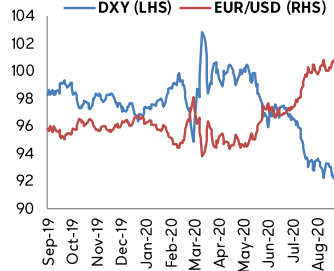
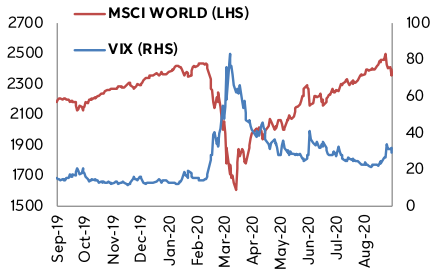
	Last	ΔD	ΔYTD
S&P 500	3398.96	2.01%	5.2%
Nikkei 225	23235.47	0.9%	-1.8%
STOXX 600	369.65	1.6%	-11.1%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1823	0.2%	5.4%
GBP/USD	1.3	0.0%	-1.9%
USD/JPY	106.09	0.1%	2.4%

Government Bonds

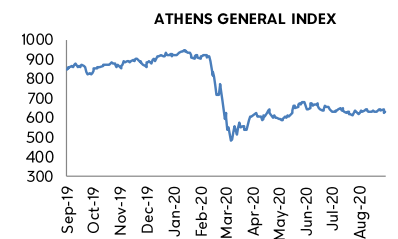
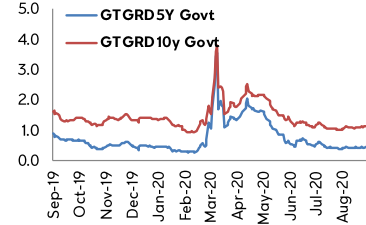
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.69	-1	-123
Bund-10yr	-0.47	0	-28
JGB - 10yr	0.03	0	4



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.43	0	-6
10Y Bond	1.15	0	-28
Δ(10YBund-10YGGB)	1.62	0	0



EMERGING MARKETS

Stock markets

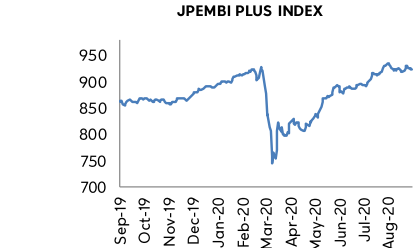
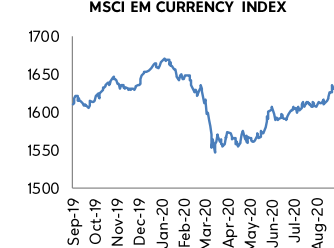
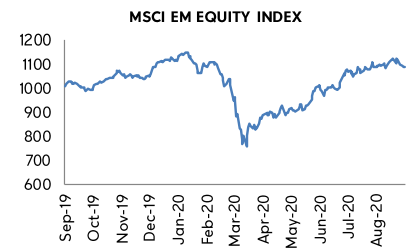
	Last	ΔD	ΔYTD
SOFIX	435.07	0.2%	-23.4%
BELEX	690.10	-0.2%	-1391.9%
XUI00	1099.68	0.9%	-389.5%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.4458	-0.1%	-4.3%
EUR/RSD	117.596	0.0%	0.1%
USD/TRY	7.4758	0.2%	-20.4%

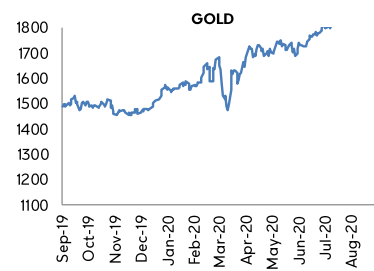
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.47	-9	34
BG 8Y yield	Invalid Security		
PL 10Y yield	1.38		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1943	-0.2%	28.1%
BRENT CRUDE	41	0.0%	-38.2%
LMEX	3004	0.5%	5.6%



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

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