

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

June 11, 2020

Global Markets

The FOMC stayed put on interest rates at this week's two-day monetary policy meeting, which concluded late yesterday, with Chair Jerome Powell making clear that a rate hike remains a distant prospect amid historically high uncertainty. The accompanying policy statement was little changed compared to that in April. The only material changes were the note that financial conditions have improved and the forward guidance on Treasury and agency MBS purchases, with the Fed saying that they would continue purchases "at least at the current pace to sustain smooth market functioning". The Summary of Economic Projections indicated a median GDP projection for a 6.5% contraction this year and growth of 5.0% in 2021. In reaction to the overall dovish outcome of the meeting, USTs gained sharply and the USD lost some ground.

Greece

Today's Eurogroup will discuss among others, the 6th Enhanced Surveillance report on Greece as well as whether the necessary conditions are fulfilled for the release of the 3rd tranche of policy-contingent debt measures, worth €748mn. On the data front, according to ELSTAT, the consumer price index (CPI) in May 2020 decreased by 1.1% compared to May 2019 when it had increased by 0.2%YoY. On a monthly basis, the CPI decreased by 0.8%. The average CPI for the 12 - month period from June 2019 to May 2020, compared with the corresponding index for the period June 2018 to May 2019 decreased by 0.1%, while in the 12 - month period June 2018 to May 2019 the annual rate of change compared to June 2017 – May 2018 was 0.9%.

CESEE

Bulgaria: According to the latest convergence report, released yesterday by the ECB, Bulgaria lacks in fulfilling all the criteria required for its access in the Eurozone. Specifically, the inflation criterion is not met as the 12-month average rate of annual harmonised inflation was 2.6% in March, exceeding the ceiling of 1.8%. However, the country fulfils the criteria of soundness and sustainability of its public finance, as the budget surplus was 2.1% of GDP and the gross debt-to-GDP ratio was 20.4% in FY2019. Moreover, over the reference period from April 2019 to March 2020, long-term interest rates continued to decrease and stood at 0.3% on average, well below the 2.9% reference value.

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GLOBAL MARKETS
Stock markets

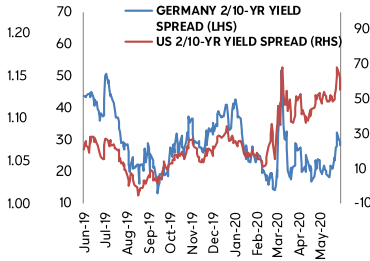
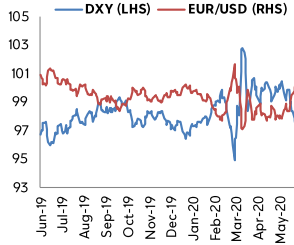
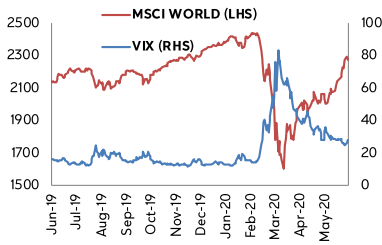
	Last	ΔD	ΔYTD
S&P 500	3190.14	-0.53%	-1.3%
Nikkei 225	22472.91	-2.8%	-5.0%
STOXX 600	359.88	-2.2%	-13.5%

FOREX

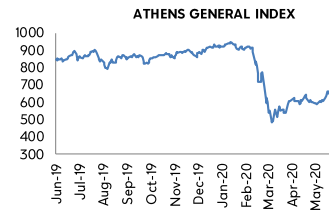
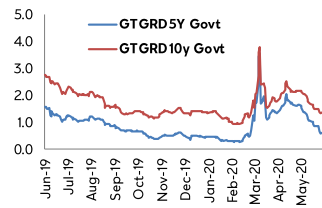
	Last	ΔD	ΔYTD
EUR/USD	1.1356	-0.2%	1.3%
GBP/USD	1.267	-0.6%	-4.4%
USD/JPY	106.96	0.1%	1.5%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.70	-3	-122
Bund-10yr	-0.38	-5	-20
JGB - 10yr	0.01	-2	2


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.58	-2	10
10Y Bond	1.37	-1	-6
Δ10YBund-10YGGB	1.75	0	13


EMERGING MARKETS
Stock markets

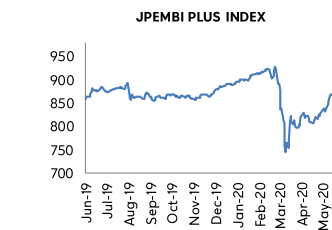
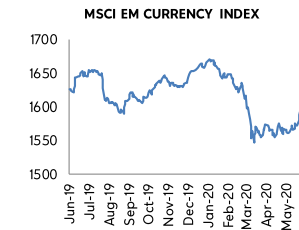
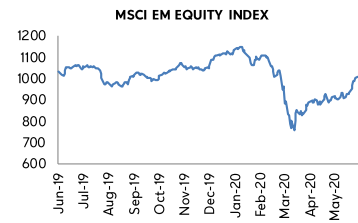
	Last	ΔD	ΔYTD
SOFIX	462.28	0.0%	-18.6%
BELEX	681.96	0.2%	-1493.5%
XUI00	109635.70	-0.1%	-418.6%

FOREX

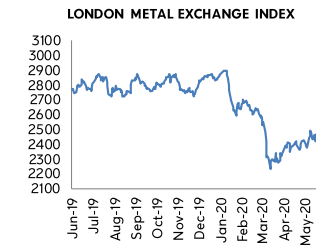
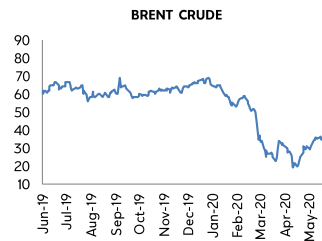
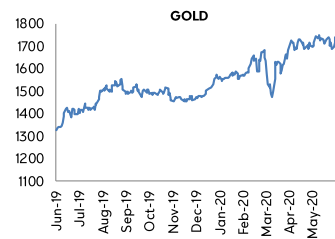
	Last	ΔD	ΔYTD
EUR/PLN	4.469	-0.2%	-4.8%
EUR/RSD	117.642	0.1%	0.1%
USD/TRY	6.7899	-0.2%	-12.4%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.50	0	37
BG 8Y yield	Invalid Security		
PL 10Y yield	1.38		


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1737	-0.1%	14.5%
BRENT CRUDE	40	-3.6%	-39.0%
LMEX	2657	1.6%	-6.6%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 10:00 EEST

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