

# GLOBAL & REGIONAL DAILY

## HIGHLIGHTS

December 11, 2020

### Global Markets

As expected, the ECB expanded the PEPP envelope by €500bn to €1.85tn, with an extension of 9 months until March 2022. In addition, the TLTROs III programme was also extended until June 2022, while four PELTROs will be offered in 2021. In FX markets, the EUR/USD maintained an upward trend, standing close to last week's 2 ½-year peak of 1.2177, as ECB President Lagarde noted that the additional envelope "need not be used in full" and as EU leaders finally agreed on the massive €1.82tn 7-year budget and recovery package. The GBP was the worst-performing G10 currency y-day, losing -0.8% against the USD and -1.3% against the EUR, after UK PM Johnson warned of "a strong possibility" of no trade deal with the EU, while the AUD and the CAD advanced to highs last seen in 2018 against the USD on stronger commodity prices.

### Greece

The unemployment rate stood at 16.1% in Sep-20 (16.5% avg. Jan-Sep 20), lower by -0.8 ppts compared to Sep-19 (17.5% avg. Jan-Sep 19). Paradoxically, given the deep drop of real GDP by -8.5% YoY in 2020Q1-Q3, employment decreased mildly by -0.9% YoY or -36.7 k persons YoY (-1.1% YoY or -42.6 k persons YoY avg. Jan-Sep 20) and unemployment shrunk by -6.3% YoY or -50.5 k persons YoY (-8.2% YoY or -69.8 k persons YoY avg. Jan-Sep 20). Temporary lay-offs and the increase of inactive population explain, at least partially, the aforementioned results. Due to the special characteristics of the current extraordinary business cycle, the underutilization of the labour factor is mostly reflected in labour hours and not in persons employed.

### CESEE

**SERBIA:** At its regular MPC meeting yesterday, the National Bank of Serbia (NBS) cut interest rates by 25bps from 1.25% to 1.00%, which is the lowest level in the inflation targeting regime of the Central Bank. Factoring in November's 25bps cut, this is the fourth policy rate cut this year. The move was not expected by the vast majority in the Bloomberg survey (17 out of 24 analysts predicted rates to remain unchanged). In the statement released thereafter, the NBS based its decision on the subdued domestic inflation trajectory and well-anchored inflation expectations, dinar stability, the dovish stance of the major central banks worldwide plus the need to provide additional support to credit and economic growth given the deterioration in the epidemiological situation.

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**GLOBAL MARKETS**
**Stock markets**

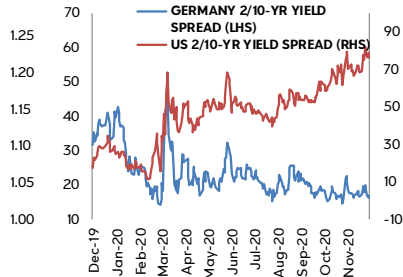
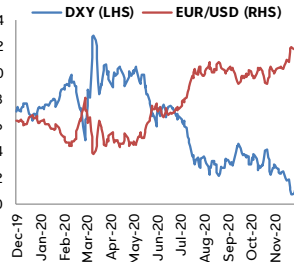
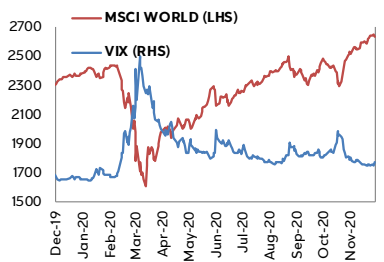
	Last	ΔD	ΔYTD
S&P 500	3668.10	-0.13%	13.5%
Nikkei 225	26652.52	-0.4%	12.7%
STOXX 600	393.15	-0.4%	-5.5%

**FOREX**

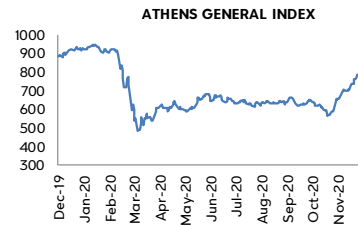
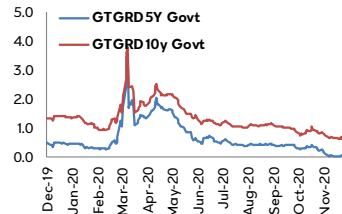
	Last	ΔD	ΔYTD
EUR/USD	1.2133	0.0%	8.2%
GBP/USD	1.3286	-0.1%	0.2%
USD/JPY	104.05	0.2%	4.4%

**Government Bonds**

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.91	0	-101
Bund-10yr	-0.61	-1	-43
JGB - 10yr	0.01	0	3


**GREECE**
**Government Bonds**

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.04	-1	-45
10Y Bond	0.60	-1	-83
Δ(10YBund-10YGGB)	1.21	0	-41


**EMERGING MARKETS**
**Stock markets**

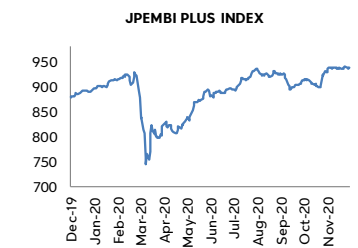
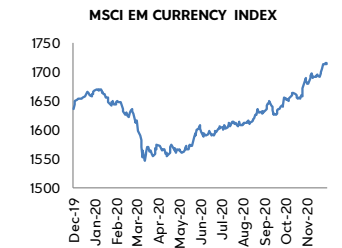
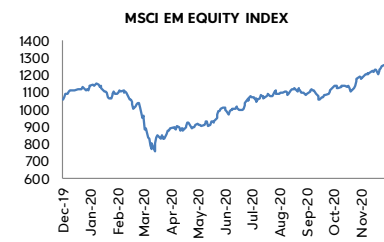
	Last	ΔD	ΔYTD
SOFIX	436.78	-0.2%	-23.1%
BELEX	705.68	-1.2%	-1197.6%
XU100	1356.36	0.2%	1853.7%

**FOREX**

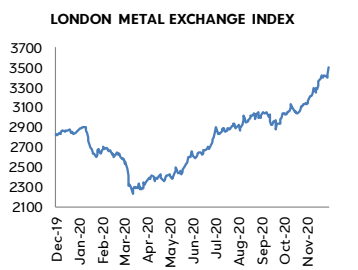
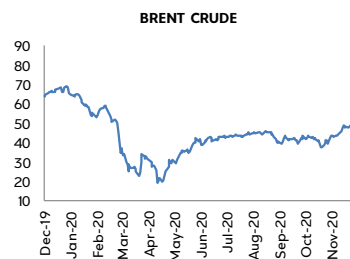
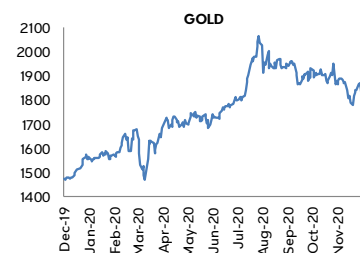
	Last	ΔD	ΔYTD
EUR/PLN	4.43	-0.1%	-4.0%
EUR/RSD	117.585	0.0%	0.1%
USD/TRY	7.9472	-0.8%	-25.1%

**Government Bonds**

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	5.97	-4	-16
BG 8Y yield	Invalid Security		
PL 10Y yield	1.36		


**COMMODITIES**

	Last	ΔD	ΔYTD
GOLD	1836	0.0%	21.0%
BRENT CRUDE	51	0.6%	-23.4%
LMEX	3494	1.8%	22.9%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research  
Data updated as of 10:05 EST

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