

# GLOBAL & REGIONAL DAILY

## HIGHLIGHTS

May 13, 2020

### Global Markets

Global equity markets were moderately weak in early trade today amid concerns over the risk of renewed US/China tensions and mounting fears over a second wave of coronavirus cases. US infectious disease expert, Dr. Anthony Fauci, warned Congress yesterday that a premature lifting of lockdowns would lead to increased coronavirus outbreaks, while the central Chinese city of Wuhan, where the pandemic first started, reported over the weekend its first new coronavirus cases since its lockdown was lifted on 8 April. All eyes today are on Fed Chair Jerome Powell's speech on the economic outlook (13:00GMT) where he may offer clues over whether negative interest rates are a viable policy option, as Fed Fund futures are discounting the possibility of this happening by mid- 2021.

### Greece

According to ELSTAT, in Feb-20 total building activity based on the number of issued building permits reached 1,599, higher by 64.3%YoY while private building activity amounted to 1,586 permits up by 63.2%YoY. In the twelve-month period Mar-19 to Feb-20 total building activity recorded an increase of 21.2% in the number of building permits compared to the period Mar-18 to Feb-19. In other news, the ESM Managing Director Klaus Regling, stated in an interview that Greece's public debt will increase as a result of the COVID-19 crisis, but will be manageable as more than half of it is held by the ESM and carries very low interest rates. Meanwhile, the EC will propose today the process of restoring free movement within the EU, while Greece reportedly favours the lift of all bans by mid-June if possible.

### CESEE

Bulgaria: EC Vice President, Valdis Dombrovskis stated in the local media yesterday that Bulgaria will join the ERM II in July provided that the FiBank successfully strengthens its capital by that time. FiBank's capital increase is the last requirement that Bulgaria has to meet before entering the ERM II together with Croatia, Dombrovskis stressed. Serbia: The Ministry of Finance raised EUR 2bn yesterday through a 7-year Eurobond. Investors' interest was very strong, as bids exceeded EUR 7bn. The Eurobond bears a 3.125% coupon rate and will be listed in the London Stock Exchange. The raised funds will be used to support the economy following the COVID-19 pandemic.

### Contributing Authors

**Paraskevi Petropoulou**  
Senior Economist  
[ppetropoulou@eurobank.gr](mailto:ppetropoulou@eurobank.gr)

**Anna Dimitriadou**  
Economic Analyst  
[andimitriadou@eurobank.gr](mailto:andimitriadou@eurobank.gr)

**Maria Kasola**  
Economic Analyst  
[mkasola@eurobank.gr](mailto:mkasola@eurobank.gr)

## Research Team



**Dr. Tasos Anastasatos** | Group Chief Economist  
tanastasatos@eurobank.gr | + 30 214 40 59 706



**Anna Dimitriadou**  
Economic Analyst  
andimitriadou@eurobank.gr  
+ 30 210 37 18 793



**Ioannis Gkionis**  
Senior Economist  
igkionis@eurobank.gr  
+ 30 214 40 59 707



**Dr. Stylianos Gogos**  
Economic Analyst  
sgogos@eurobank.gr  
+ 30 210 37 18 733



**Maria Kasola**  
Economic Analyst  
mkasola@eurobank.gr  
+ 30 210 33 18 708



**Olga Kosma**  
Research Economist  
okosma@eurobank.gr  
+ 30 210 37 18 728



**Paraskevi Petropoulou**  
Senior Economist  
ppetropoulou@eurobank.gr  
+ 30 210 37 18 991



**Dr. Theodoros Stamatou**  
Senior Economist  
tstamatou@eurobank.gr  
+ 30 214 40 59 708



**Elia Tsiampaou**  
Economic Analyst  
etsiampaou@eurobank.gr  
+ 30 214 40 59 712

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