

# GLOBAL & REGIONAL DAILY

## HIGHLIGHTS

May 15, 2020

### Global Markets

European bourses were firmer in early trade today, presumably supported by China's positive April IP data, suggesting that the country, the first to start relaxing its own containment measures, is gradually recovering from the pandemic. However, worries over a second wave of the pandemic prevail and investors are concerned about increasing tension in the US/China relations, after US President Donald Trump warned that he would "cut off whole relationship" with China amid criticism over its handling of the COVID-19 outbreak. In FX markets, the USD retained a positive tone, favored by the Fed Chair's recent indication that the CB does not intend to adopt negative rates (Fed funds futures continue to price-in slightly negative rates by mid- 2021). Focus today is on Germany's Q1 GDP and US retail sales and IP for April.

### Greece

Focus today is on the Eurogroup that will review the progress made on the three economic safety nets agreed at the 9 April Eurogroup video conference and endorsed by the members of the European Council. The Ministers will also hold a strategic discussion on the priorities for relaunching EU economies. In other news, the Ministry of Finance is reportedly working on a scheme to support real-estate owners whose proceeds were reduced due to the 40% discount on rents that was imposed in the months of March, April and May. The scheme may include a discount on income tax or even on property tax, while in 2021 the tax payable may be calculated on the basis of the actual rents received in 2020. According to press, the cost of this support may reach €50 million.

### CESEE

Serbia: While the NBS forecasts that GDP will contract by -1.5% in 2020 as a result of the Covid-19 impact, in its latest Regional Economic Prospects released yesterday, the EBRD appeared more conservative and expects the economy to contract by -3.5% this year against a GDP growth forecast of 3.5% previously. The EBRD stated that Serbia will suffer from the disruption of global supply chains amid the Covid-19 crisis but will recover robustly in 2021, posting a GDP growth rate close to 6%. It also noted that the latest forecasts were made amid unprecedented uncertainty and that gradual relaxation of domestic measures to contain the virus and return to normality during the second half of the year are among the key assumptions for the aforementioned forecasts.

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

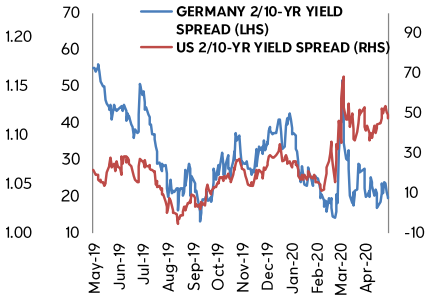
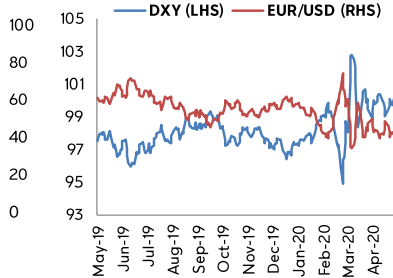
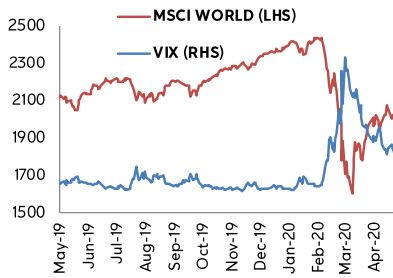
	Last	ΔD	ΔYTD
S&P 500	2852.50	1.15%	-11.7%
Nikkei 225	20037.47	0.6%	-15.3%
STOXX 600	326.71	-2.2%	-21.4%

**FOREX**

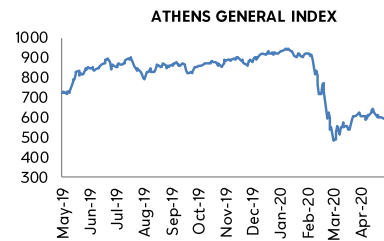
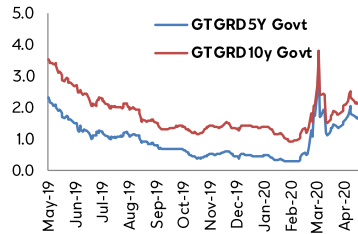
	Last	ΔD	ΔYTD
EUR/USD	1.0796	-0.1%	-3.7%
GBP/USD	1.2196	-0.3%	-8.0%
USD/JPY	107.17	0.1%	1.3%

**Government Bonds**

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.61	-1	-131
Bund-10yr	-0.54	0	-35
JGB - 10yr	-0.01	0	1


**GREECE**
**Government Bonds**

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	1.38	-1	89
10Y Bond	2.03	0	60
Δ(10YBund-10YGGB)	2.58	0	96


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

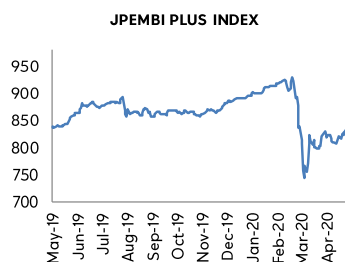
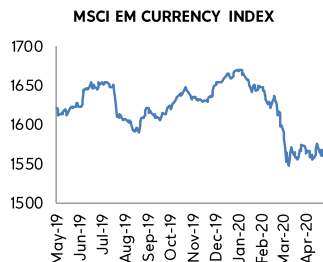
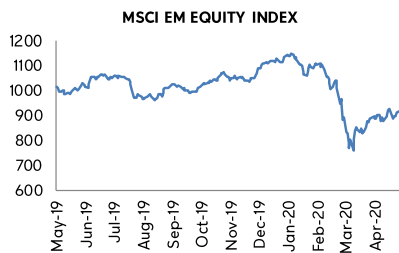
	Last	ΔD	ΔYTD
SOFIX	449.51	-0.8%	-20.9%
BELEX	662.11	-2.4%	-1741.1%
XU100	100401.40	1.2%	-1225.6%

**FOREX**

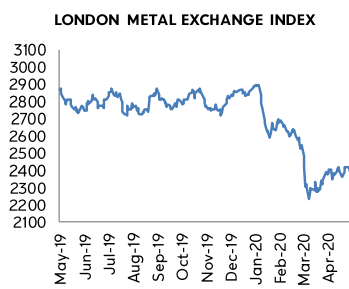
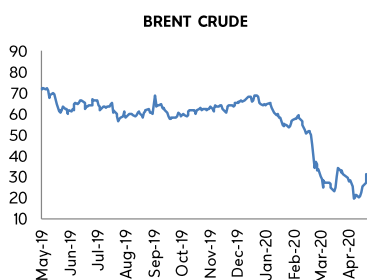
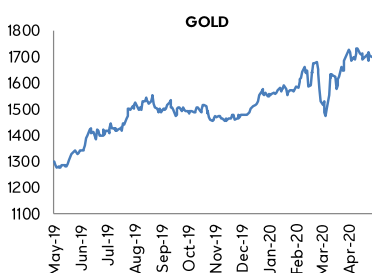
	Last	ΔD	ΔYTD
EUR/PLN	4.5605	0.0%	-6.7%
EUR/RSD	117.594	0.0%	0.1%
USD/TRY	6.9179	0.1%	-14.0%

**Government Bonds**

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	7.98	-24	185
BG 8Y yield	Invalid Security		
PL 10Y yield	1.33		


**COMMODITIES**

	Last	ΔD	ΔYTD
GOLD	1736	0.3%	14.4%
BRENT CRUDE	32	3.7%	-51.1%
LMEX	2390	-0.2%	-15.9%



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