

GLOBAL & REGIONAL DAILY HIGHLIGHTS

June 15, 2020

Global Markets

Global equity markets kicked off the week in a negative tone amid mounting fears of a second COVID-19 wave, as major economies have started a return to normality with the gradual relaxation of lockdown measures. China recorded dozens of new cases in recent days and several western and southern US states reported record numbers of new cases and hospitalizations, with the US Centre and Disease Control urging against a return to normality. Risk-off mode fueled demand for both USTs and German Bunds, while oil prices remained under pressure. In FX markets, the EUR/USD lost some ground, also hurt by **Friday's** bigger-than-expected increase in US UM consumer sentiment for June. **This week's** major events include Fed Chair **Powell's semi-annual** testimony, the BoE MPC meeting and the EU Council meeting.

Greece

Greece's airports to more international flights open today, with a view to kick-starting the tourism season. Visitors from a number of airports will be randomly tested, while restrictions remain for visitors from the UK and Turkey. Meanwhile, 9 new COVID-19 cases were recorded yesterday, bringing the total to 3,121. On the economic data front, according to ELSTAT, in March 2020, total building activity in Greece (calculated on the basis of the number of issued building permits) reached 1,305, up by 10.2% compared with the corresponding month of 2019. The building permits for the private building activity issued in Greece in March 2020 amounted to 1,296, higher by 9.8%YoY, while in the period January 2020 – March 2020 private building activity rose by 42% compared with the corresponding period of 2019.

CESEE

Cyprus: The Central Bank of Cyprus (CBC) published on Friday the residential property price index (RPPI) for Q4-2019. The RPPI slowed down further by 0.3% on a quarterly basis in Q4-2019 compared to 0.7% in Q2-2019. The quarterly rise reflects the combined effect of a rise in the flat apartments by 0.5% in Q4, visibly lower than +1.5% in Q3, and by +0.2% for house prices in Q4, almost unchanged compared to +0.3% in Q3. On an annual basis, the RPPI slowed to 2.2%YoY in Q4-2019 compared to +2.8%YoY in Q3-2019 & Q2-2019 and +2.7% YoY in Q1-2019. According to the CBC report, the RPPI slowdown is driven by the decline **in foreign investors' demand for real estate. Cypriot residents' demand, which supported the real estate** market in 2019, is not expected to continue in the current year because of the Covid19 pandemic.

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