

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

October 15, 2020

Global Markets

Adding to signs of a slowdown in the Eurozone economic recovery in Q3, IP rose by a four-month low of 0.7%MoM in August, on the back of a plunge in the output of capital goods. Meanwhile, new Covid-19 cases are rising across Europe, with France's PM Emmanuel Macron announcing a 9pm-6am curfew in Paris and eight other large cities in an effort to stem the spread of the coronavirus. Against this background, demand for fixed income remains strong, also supported by market expectations for further policy stimulus from CBs, with the 10-yr Bund yield moving below -0.60% earlier today for the first time since early May. Market focus is on the two-day EU Council meeting which begins today, with UK PM Boris Johnson awaiting its outcome to decide whether to continue trade talks with the EU or walk away without a deal.

Greece

In its Fiscal Monitor Report (October 2020) released yesterday, the IMF foresees primary deficit of -6%-of-GDP in 2020, followed by a primary balance of 0%-of-GDP in 2021 and a primary surplus of 1.4%-of-GDP in 2022. General government gross debt as a percentage of GDP is expected to reach 205.2% in 2020, ease slightly to 200.5% in 2021 and further to 187.3% in 2022, against 197.4% and 184.7% in 2020 and 2021 respectively, envisioned in the 2021 Draft Budget. On the pandemic front, 436 new cases were recorded yesterday, out of which 31 were spotted at entry points. The total number of cases now stands at 23,495. The average daily cases for the week ended yesterday stood at 365, against 354 in the previous week.

CESEE

In the latest World Economic Outlook (WEO) report released on Tuesday, the IMF kept its 2020 GDP forecast for Bulgaria at -4.0%, unchanged compared to their previous forecast in April. GDP growth will turn positive at 4.1% in 2021, which is a more conservative forecast than anticipated previously. The Fund revised upwards its 2020 GDP forecast for Serbia, expecting the economy to contract by -2.5%, against a -3.0% fall in April and recover to a +5.5% growth in 2021. For both countries, the IMF's forecasts are the more optimistic than those of other international financial institutions. Specifically, the World Bank and the EBRD in their recent reports, released both in October, forecast for 2020 contractions by -5.1% and -5.5% for Bulgaria and -3.0% and -3.5% for Serbia, respectively.

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GLOBAL MARKETS
Stock markets

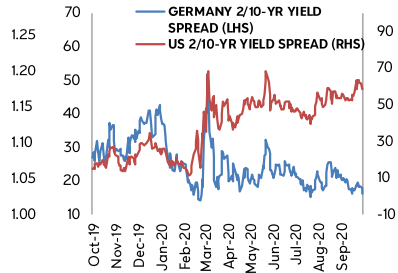
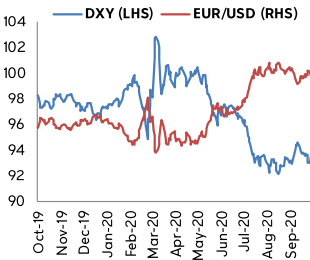
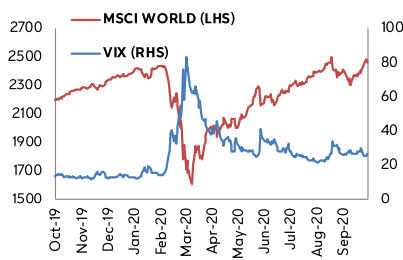
| | Last | ΔD | ΔYTD |
|------------|----------|--------|--------|
| S&P 500 | 3488.67 | -0.66% | 8.0% |
| Nikkei 225 | 23507.23 | -0.5% | -0.6% |
| STOXX 600 | 370.62 | -0.1% | -10.9% |

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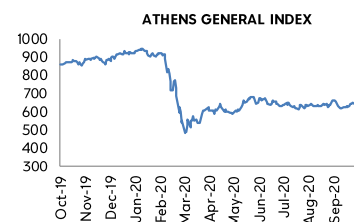
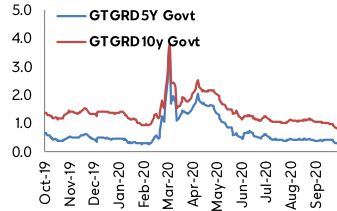
| | Last | ΔD | ΔYTD |
|---------|--------|-------|-------|
| EUR/USD | 1.1748 | 0.0% | 4.8% |
| GBP/USD | 1.3003 | -0.1% | -1.9% |
| USD/JPY | 105.28 | -0.1% | 3.2% |

Government Bonds

| (yields) | Last | ΔDbps | ΔYTD bps |
|------------|-------|-------|----------|
| UST - 10yr | 0.71 | -1 | -121 |
| Bund-10yr | -0.59 | -1 | -41 |
| JGB - 10yr | 0.03 | -1 | 4 |


GREECE
Government Bonds

| (yields) | Last | ΔDbps | ΔYTDbps |
|---------------------|------|-------|---------|
| 5Y Bond | 0.27 | 0 | -22 |
| 10Y Bond | 0.76 | -1 | -67 |
| Δ(10Y Bund-10Y GGB) | 1.35 | 0 | -27 |


EMERGING MARKETS
Stock markets

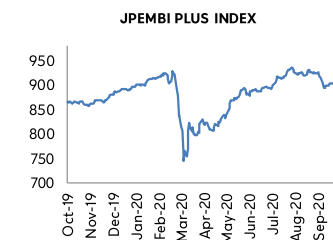
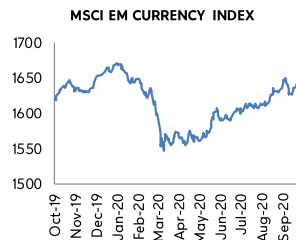
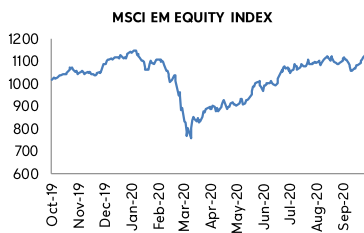
| | Last | ΔD | ΔYTD |
|-------|---------|-------|----------|
| SOFIX | 425.96 | 0.4% | -25.0% |
| BELEX | 690.70 | -0.2% | -1384.5% |
| XU100 | 1189.29 | 1.2% | 393.6% |

FOREX

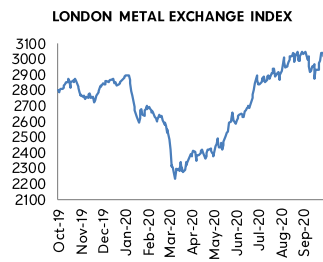
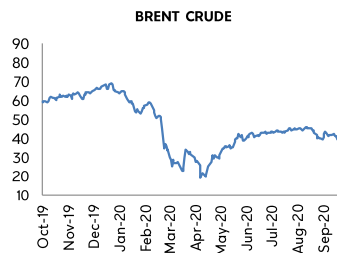
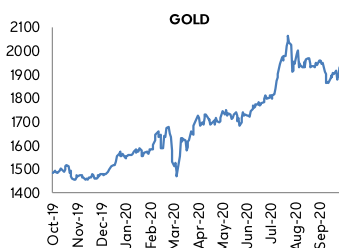
| | Last | ΔD | ΔYTD |
|---------|---------|-------|--------|
| EUR/PLN | 4.5227 | -0.2% | -5.9% |
| EUR/RSD | 117.596 | 0.0% | 0.1% |
| USD/TRY | 7.9235 | -0.2% | -24.9% |

Government Bonds

| | Last | ΔDbps | ΔYTD bps |
|--------------|------------------|-------|----------|
| TR 10Y yield | 6.75 | -6 | 62 |
| BG 8Y yield | Invalid Security | | |
| PL 10Y yield | 1.26 | | |


COMMODITIES

| | Last | ΔD | ΔYTD |
|-------------|------|-------|--------|
| GOLD | 1899 | -0.1% | 25.2% |
| BRENT CRUDE | 43 | -0.2% | -34.5% |
| LMEX | 3026 | 0.2% | 6.4% |



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 09:30 EST

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