

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

January 16, 2020

Global Markets

Global equity markets hit fresh highs earlier today following the signing of the Phase One US/China trade deal yesterday at the White House in Washington that marks an important step towards a comprehensive agreement in the future. However, under the terms of the deal, further tariff reductions are frozen and will take place upon successful completion of discussions in the context of the Phase Two trade deal. In addition, a number of structural issues that led to the US/China trade dispute remain open and are intended to be covered in the context of the Phase Two negotiations. Against this background, 10-yr US and German Bund yields were hovering not far from yesterday's multi-session lows at the time of writing, while the CHF remained well supported after the US added Switzerland to the currency manipulator watch list.

Greece

Deliberations for the 5th Enhanced Surveillance (ES) review due in end-February are underway. The main items on the agenda are: 1) The household insolvency framework with the government reportedly intending to pass new legislation, which will incorporate the EU Directive on restructuring and insolvency, 2) property auctions where delays have been recorded, 3) the reduction of pending court cases under Law 3869/2010, 4) the implementation of 'Hercules' for the reduction of NPLs, and 5) the clearance of state arrears. The 5th ES review is not linked to the disbursement of funds but is important for decisions regarding the use of SMP/ANFA income and the primary surplus over-performance, the reduction of the primary surplus targets and the upgrade of Greece's sovereign rating.

CESEE

Bulgaria: Inflation accelerated to 3.8% YoY in December, sizably increased from 3.0% YoY in November. The acceleration was broadly attributed to the strengthening of food and fuel prices during the month. Food inflation picked up to 6.8% YoY in December, mostly on the back of increases in meat, milk, eggs, and vegetables prices. Staying on the data front, the registered unemployment rate rose by 0.1pps MoM to 5.9% and decreased by 0.2pps on an annual level in December.

Contributing Authors

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Maria Kasola
Economic Analyst
mkasola@eurobank.gr

GLOBAL MARKETS

Stock markets

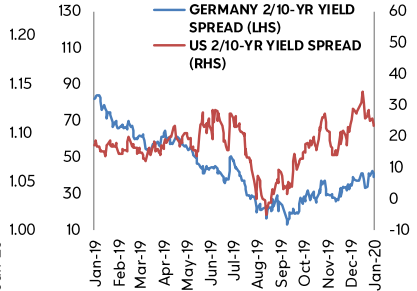
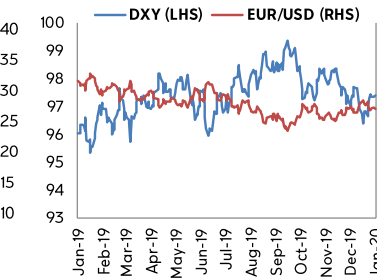
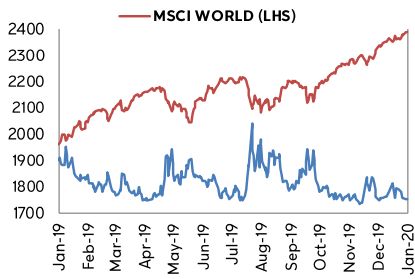
	Last	ΔD	ΔYTD
S&P 500	3289.29	0.19%	1.8%
Nikkei 225	23933.13	0.1%	1.2%
STOXX 600	420.18	0.1%	1.0%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1161	0.1%	-0.5%
GBP/USD	1.3059	0.2%	-1.5%
USD/JPY	110.03	-0.1%	-1.3%

Government Bonds

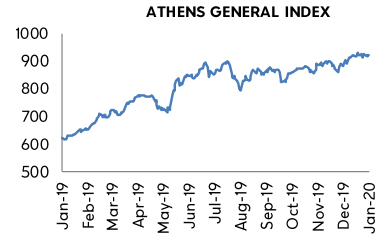
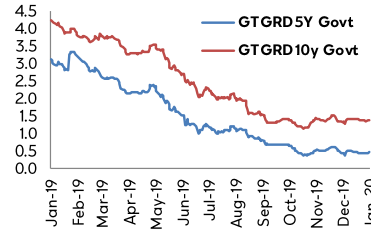
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.80	1	-12
Bund-10yr	-0.20	0	-2
JGB - 10yr	0.02	1	3



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.47	-1	-2
10Y Bond	1.38	0	-5
Δ(10YBund-10YGGB)	1.59	0	-3



EMERGING MARKETS

Stock markets

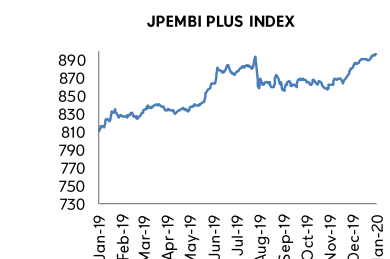
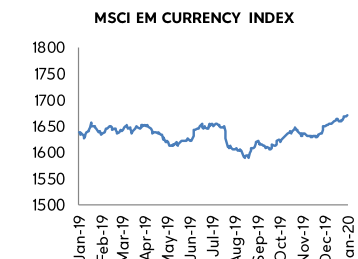
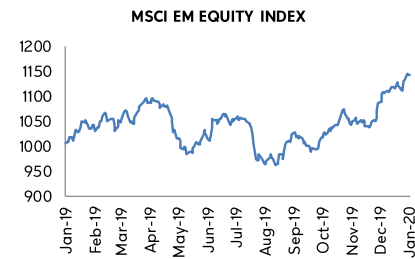
	Last	ΔD	ΔYTD
SOFIX	581.34	0.0%	2.3%
BELEX	803.31	0.2%	20.2%
XU100	122258.20	1.1%	684.6%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.2339	-0.1%	0.5%
EUR/RSD	117.539	0.0%	0.2%
USD/TRY	5.8878	-0.2%	1.1%

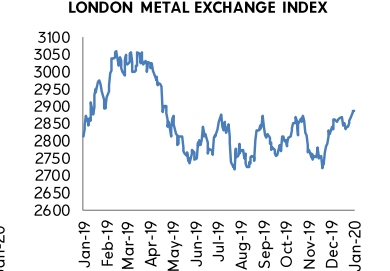
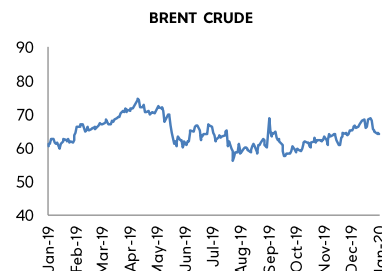
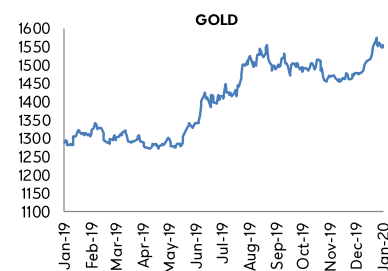
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	5.62	-6	-51
BG 8Y yield	Invalid Security		
PL 10Y yield	2.23	0	



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1554	-0.2%	2.4%
BRENT CRUDE	64	0.5%	-2.5%
LME X	2893	0.2%	1.7%



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

More research available at: <https://www.eurobank.gr/en/group/economic-research>
Subscribe electronically at: <https://www.eurobank.gr/el/omilos/oikonomikes-analiseis..>
Follow us on twitter: https://twitter.com/Eurobank_Group
Follow us on LinkedIn: <https://www.linkedin.com/company/eurobank>

DISCLAIMER

This report has been issued by Eurobank Ergasias S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees. Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

