

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

September 16, 2020

Global Markets

Major equities retained a positive tone in early trade today, supported by market hopes for a Covid-19 vaccine and encouraging data from major economies. Following China's positive IP data y-day, the US September Empire State index advanced by a higher-than-expected 13.3pts to 17.0 and German ZEW investor sentiment for September unexpectedly improved, coming in at 77.4. Shrugging off positive data, both USTs and German Bunds were little changed on the day, ahead of the FOMC policy announcement (20:00 CET) and Fed Chair Jerome Powell's press conference (20:30 CET) that may provide some clues about the Central Bank's policy deliberations, especially after its shift to an average inflation targeting regime. Meanwhile, the USD/JPY dropped to a two-week low of 105.25 on dovish Fed expectations.

Greece

During the Economist Conference, Declan Costello ECFIN Deputy Director General, noted that discussions with the Greek government around the policies that will be funded by the Recovery Fund are under way and that the Pissarides Committee proposals are viewed positively by the EC. On the economic front, according to ELSTAT, most of the turnover indices for the specific activities of the services sector, decreased in Q2-20 compared to Q2-19. The largest drops were recorded in advertising and market research (-30%), publishing activities (-17.5%), legal and accounting services (-15.3%) and other professional, scientific and technical activities (-14.2%). On the contrary, increases were recorded in cleaning activities (+12.4%) and postal and courier services (+0.4%).

CESEE

Bulgaria: The Ministry of Finance placed yesterday 10-year and 30-year Eurobonds worth EUR2.5bn (BGN 5bn). Investors' interest was high resulting in oversubscription for the issues as bids reached EUR7.5bn in total. The initial plan of the government was to issue up to EUR2bn, but the high demand resulted in selling EUR1.25bn for each of the two Eurobond placements. The average yields of the 10-year and the 30-year Eurobonds came in at 0.40% and 1.48% respectively and are widely considered very favorable. Overall sound public finances, low indebtedness and the recent accession in the ERM II are probably the key drivers of the successful placements. Specifically, the public debt-to-GDP ratio stood at 20.1% at the end of July while the execution of the state budget has led to a surplus in the first eight months.

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GLOBAL MARKETS
Stock markets

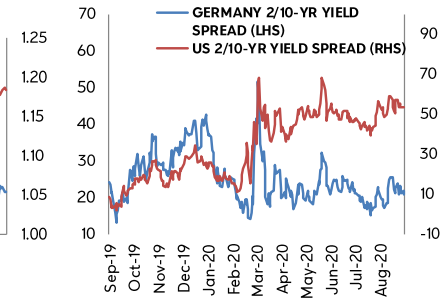
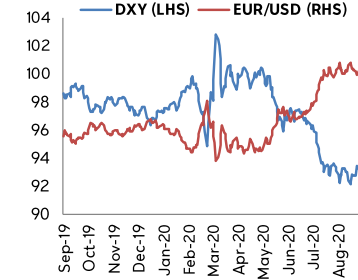
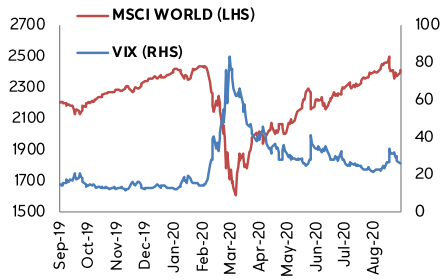
	Last	ΔD	ΔYTD
S&P 500	3401.20	0.52%	5.3%
Nikkei 225	23475.53	0.1%	-0.8%
STOXX 600	370.96	0.7%	-10.8%

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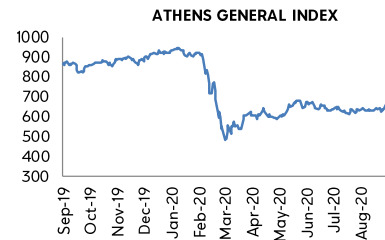
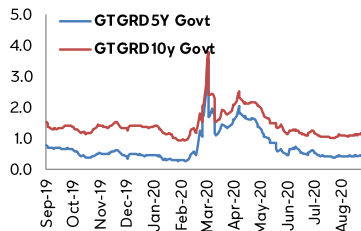
	Last	ΔD	ΔYTD
EUR/USD	1.1845	0.0%	5.6%
GBP/USD	1.2892	0.0%	-2.7%
USD/JPY	105.36	0.1%	3.1%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.67	0	-124
Bund-10yr	-0.48	-1	-30
JGB - 10yr	0.02	0	3


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.41	0	-8
10Y Bond	1.08	0	-35
Δ(10YBund-10YGGB)	1.57	0	-5


EMERGING MARKETS
Stock markets

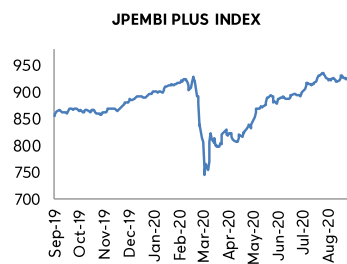
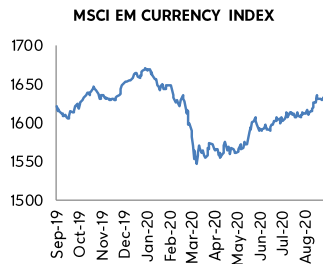
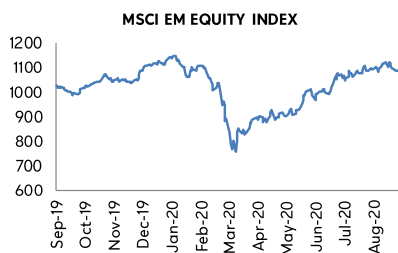
	Last	ΔD	ΔYTD
SOFIX	430.66	-0.1%	-24.2%
BELEX	690.55	0.0%	-1386.3%
XU100	1111.24	0.4%	-288.5%

FOREX

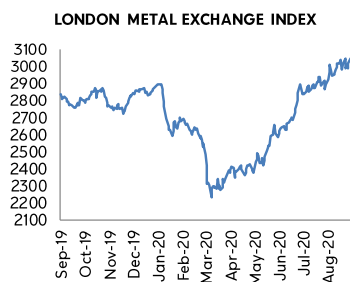
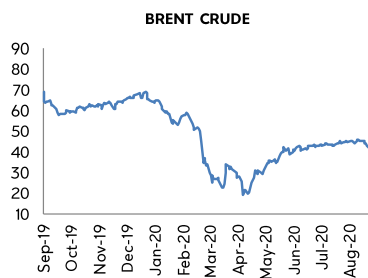
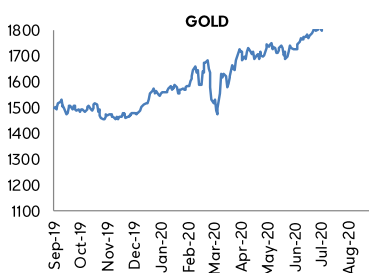
	Last	ΔD	ΔYTD
EUR/PLN	4.4525	0.0%	-4.5%
EUR/RSD	117.585	0.0%	0.1%
USD/TRY	7.4918	0.0%	-20.6%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.48	-7	35
BG 8Y yield	Invalid Security		
PL 10Y yield	1.36		


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1958	0.2%	29.1%
BRENT CRUDE	41	1.4%	-37.8%
LMEX	3031	-0.4%	6.6%



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