

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

October 16, 2020

Global Markets

Two US regional manufacturing surveys for October released y-day moved in opposite directions, as the NY Empire State index fell by a higher-than-expected 6.4pts to 10.5, while the Philly Fed index surged to an eight-month peak of 32.3 from September's 15. Separately, US initial jobless claims for the week ended October 10 rose by 56k to a two-month high of 898k, but continuing claims fell by about 1.2mn to just over 10mn for the week of October 3, though that may be partially affected by the state supports that are being exhausted. Meanwhile, investors adopt a cautious stance on risk assets amid rising Covid-19 cases across Europe and the ensuing adoption of additional restrictions. Moreover, no-deal Brexit woes prevail, with EU leaders concluding overnight that progress on EU/UK talks is still "not sufficient" to reach an agreement.

Greece

According to the preliminary data for the execution of the State Budget on a modified cash basis, the State Budget balance for the period of Jan - Sep 2020 presented a deficit of €11,265mn, against a target of a deficit of €1,544mn that was incorporated in the 2020 Budget introductory report and a deficit of €119mn for the same period of 2019. The State Budget Primary Balance amounted to a deficit of €7,008mn, against the primary surplus target of €2,568mn and the primary surplus of €4,474mn recorded at the same period of the previous year. State Budget net revenues underperformed by 12.3% against the 2020 Budget, largely due to the reduction of economic activity as a result of the pandemic, the impact of the measures taken to eliminate its negative effects and the increased tax refunds.

CESEE

Bulgaria: In its latest quarterly Macroeconomic Forecast report released earlier in the week, the Bulgarian National Bank (BNB) revised upwards its 2020 GDP contraction forecast to -5.5%, compared to a -8.5% contraction projected in September. The Central Bank assessed the overall probability of having a GDP contraction within the 3.2-8.0% range at 60%. The upward revision was broadly based on hard economic data, such as consumer expenditure, investments and foreign trade that point to a more favorable economic landscape than previously shaped. In the same report, the BNB considers that economic recovery will be gradual and the GDP will reach its pre-crisis level at the end-2022. GDP is expected to rise by 4.0% in 2021 and further by 3.8% in 2022.

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GLOBAL MARKETS
Stock markets

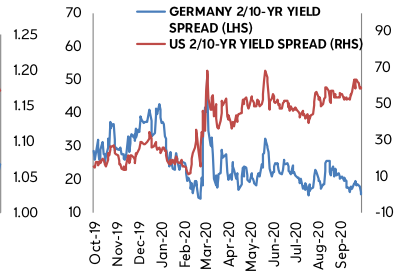
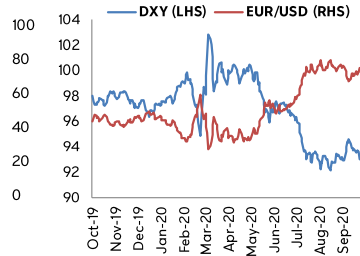
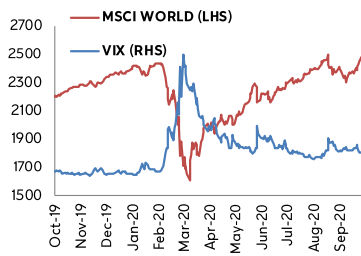
	Last	ΔD	ΔYTD
S&P 500	3483.34	-0.15%	7.8%
Nikkei 225	23410.63	-0.4%	-1.0%
STOXX 600	365.82	0.8%	-12.0%

FOREX

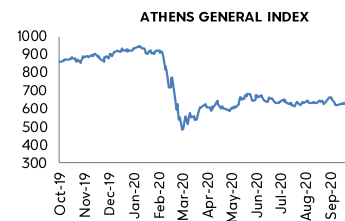
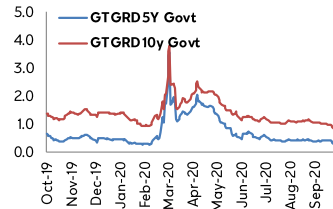
	Last	ΔD	ΔYTD
EUR/USD	1.1711	0.0%	4.4%
GBP/USD	1.2908	0.0%	-2.6%
USD/JPY	105.3	0.1%	3.1%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.73	0	-119
Bund-10yr	-0.61	0	-43
JGB - 10yr	0.02	0	3


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.30	-1	-19
10Y Bond	0.81	-2	-63
Δ(10YBund-10YGG)	1.42	0	-20


EMERGING MARKETS
Stock markets

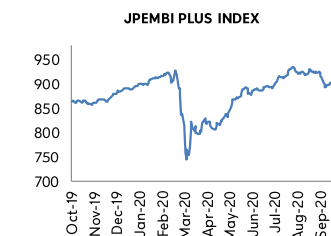
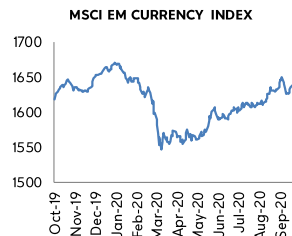
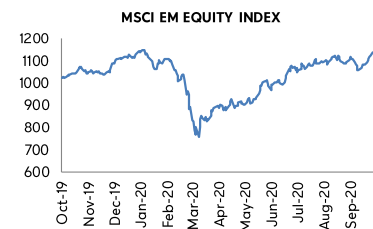
	Last	ΔD	ΔYTD
SOFIX	425.35	0.0%	-25.1%
BELEX	689.92	-0.1%	-1394.2%
XUI00	1187.14	0.6%	374.8%

FOREX

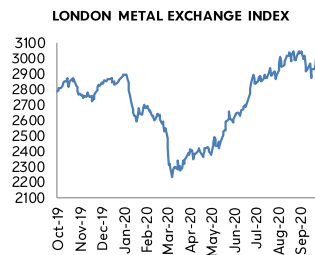
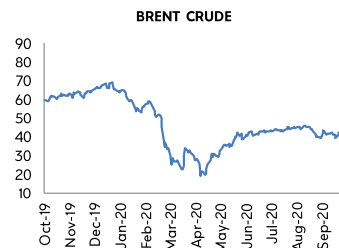
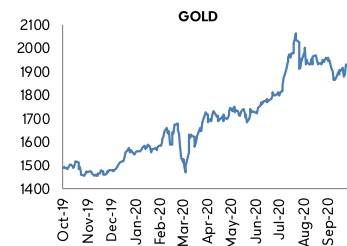
	Last	ΔD	ΔYTD
EUR/PLN	4.5485	0.1%	-6.5%
EUR/RSD	117.58	0.1%	0.1%
USD/TRY	7.9263	0.1%	-24.9%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.80	-7	67
BG 8Y yield	Invalid Security		
PL 10Y yield	1.26		


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1908	-0.1%	25.7%
BRENT CRUDE	43	-0.9%	-35.2%
LME	3039	0.4%	6.9%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 10:15 EST

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