

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

March 17, 2020

Global Markets

Aiming to quell the impact of the COVID-19 outbreak, the Eurogroup agreed yesterday that all national authorities should allow automatic stabilizers to function, implement immediate and adequate necessary measures targeted at containing the spread of the virus, and provide liquidity support for firms and protection for affected workers. At the European level, the adopted measures include €37bn in investment funds, €28bn in structural funds, €8bn in EIB working capital lending, €20bn in EIB investments and flexibility of the Stability and Growth Pact. In response to the above, Bunds were under pressure earlier today, while investors' appetite to liquidate their positions in order to obtain cash, may have also had an impact. Major European equity markets opened slightly higher and the EUR/USD continued to hover around 1.1100/50.

Greece

According to the Ministry of Finance Christos Staikouras following the 16 March Eurogroup the reduction of revenue and the increase of expenditure to protect jobs hit by the coronavirus, will be taken into consideration against compliance with fiscal rules. As a result, the primary surplus target of 3.5% of GDP is no longer valid for 2020. Additionally, fiscal measures to support the health system, contain the spread of the coronavirus, boost liquidity, support employment and support businesses in areas and sectors affected – with particular emphasis on transport and tourism – such as suspension of tax obligations, extension of employment benefits and unemployment benefits will be excluded from the fiscal performance of Greece.

CESEE

Bulgaria: The blue chip index SOFIX registered a staggering -15.5% decline in the past week, ending at 447.95 points amid €4.5m in volume. Both local and external bond yields registered modest gains across all maturities, ranging between 1-4 bps. Inflation slowed to 3.7% YoY in February down from 4.2% YoY in January on the back of decelerating food, alcoholic beverages and fuel prices. Lower energy prices - gas prices are cut by 40% in the new agreement with Gazprom provider - are expected to push headline much lower in the coming months. Cyprus: The government introduced a financial support package of €700m to address the negative impact of Covid19. Effective from mid-March until the end of April, the package is equivalent to 3% of GDP and includes a series of measures, which cover health, finance and labour issues.

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We would like to thank Ruslan Raychev from Eurobank Bulgaria for his valuable contributions in today's issue

GLOBAL MARKETS
Stock markets

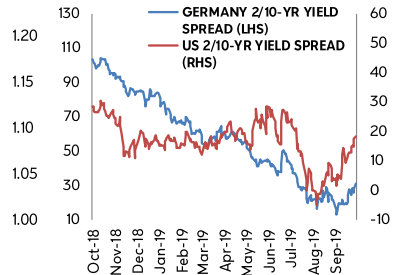
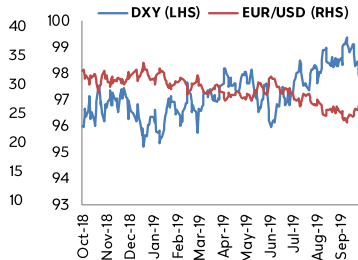
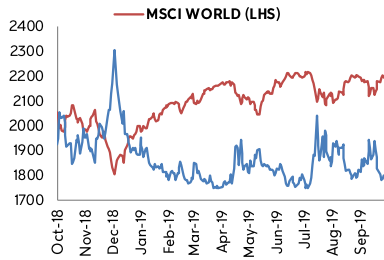
	Last	ΔD	ΔYTD
S&P 500	2986.20	-0.39%	19.1%
Nikkei 225	22548.90	0.2%	12.7%
STOXX 600	393.03	0.3%	16.4%

FOREX

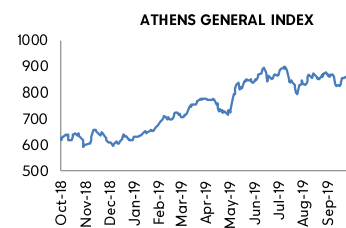
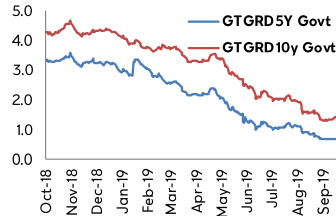
	Last	ΔD	ΔYTD
EUR/USD	1.1178	0.1%	-2.5%
GBP/USD	1.2998	0.2%	1.9%
USD/JPY	108.64	-0.2%	1.0%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.79	3	-90
Bund-10yr	-0.34	4	-58
JGB - 10yr	-0.13	1	-13


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.59	0	-259
10Y Bond	1.31	1	-303
Δ(10YBund-10YGB)	1.66	0	-245


EMERGING MARKETS
Stock markets

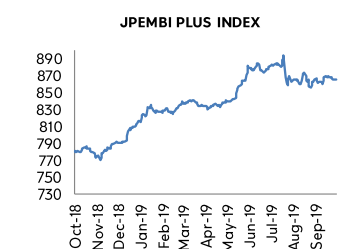
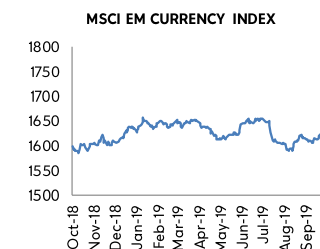
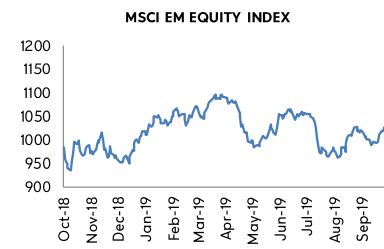
	Last	ΔD	ΔYTD
SOFIX	564.42	-0.1%	-5.1%
BELEX	748.04	-0.1%	-179.2%
XUI00	97797.11	-0.6%	715.1%

FOREX

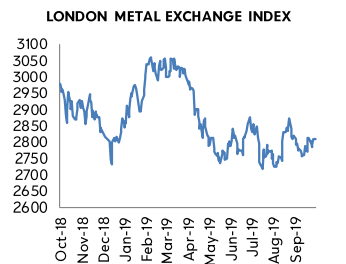
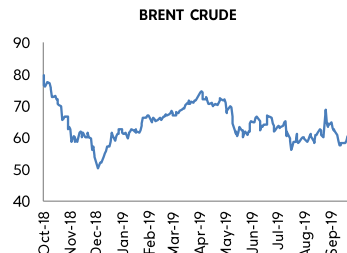
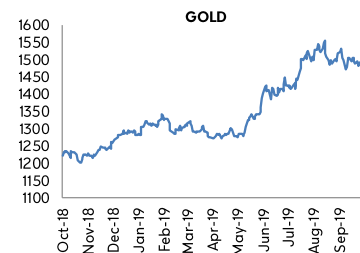
	Last	ΔD	ΔYTD
EUR/PLN	4.2784	0.1%	0.3%
EUR/RSD	117.815	0.2%	0.4%
USD/TRY	5.8318	-0.7%	-9.3%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.88	-1	-22
BG 8Y yield	0.13	-3	-34
PL 10Y yield	2.04	2	-77


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1489	-0.1%	16.1%
BRENT CRUDE	59	-0.1%	10.3%
LMEX	2809	0.7%	0.3%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 10:40 EEST

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