

# GLOBAL & REGIONAL DAILY

## HIGHLIGHTS

July 17, 2020

### Global Markets

US technology stocks led Wall Street's decline overnight, amid higher-than expected US initial weekly jobless claims, rising Covid-19 infection cases, and escalating U.S.-China tensions. According to a White House National Security Council spokesman, the Hong Kong Autonomy Act that US President Donald Trump signed on Tuesday allows him to impose sanctions on Chinese officials and financial institutions involved in the imposition of China's new national security law in Hong Kong, prompting China to warn that it will respond to Washington's "bullying" tactics. Nevertheless, most equity indices retreated on Friday as China's state media sought to reassure investors on the outlook for onshore equities. Furthermore, hopes for a Covid-19 vaccine and more fiscal stimulus around the globe, with the US Congress set to begin debating a new package next week, also helped investor sentiment. In FX markets, the EUR/USD traded below Wednesday's four-month high of 1.1451, but stayed firm around 1.1385/95 ahead of the special EU Summit today, broadly unaffected by the outcome of the ECB meeting, which was rather uneventful as expected.

### Greece

The Bank of Greece published yesterday its semi-annual Financial Stability Review, July 2020, which states that based on Q1-2020 data, the stock of non-performing loans is estimated at 37.3% but may escalate further. At the same time, the estimated deterioration of the deferred tax credit (DTC) ratio, as well as the urgency to finance the real economy, necessitates additional action from both the banks and the State. In this context, the BoG is working on a comprehensive asset management scheme (Asset Management Company - AMC) of Greek banks. Meanwhile, on the pandemic front, 35 new cases were recorded yesterday, slightly up from 27 the day before, with 13 of them being spotted at the country's entry points.

### CESEE

**Bulgaria:** Following the spike in daily Covid-19 cases to 267 and 234 on July 16 and 15 respectively, from 159 the previous day, the government decided to extend the state of epidemic emergency reinstated in late June by two weeks, i.e. until the end of July. On the political front, there is substantial turmoil as PM Boyko Borissov demanded the resignations of the Minister of Finance, Vladislav Goranov, the Minister of Economy, Emil Karanikolov, and the Minister of Internal Affairs, Mladen Marinov, late on Wednesday in an attempt to address the large-scale anti-government protests going on across the country for more than a week, which, however continue for the eighth day in a row.

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## GLOBAL MARKETS

### Stock markets

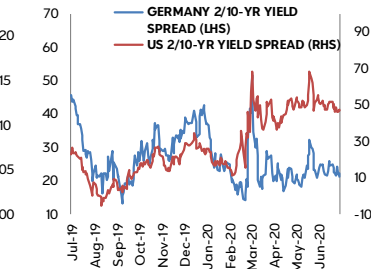
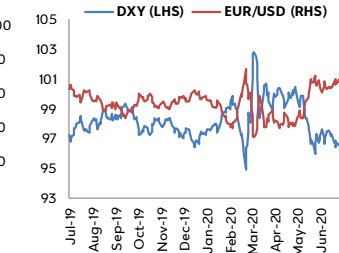
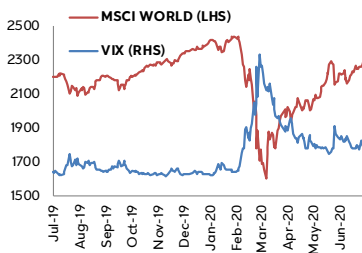
	Last	ΔD	ΔYTD
S&P 500	3215.57	-0.34%	-0.5%
Nikkei 225	22696.42	-0.3%	-4.1%
STOXX 600	372.85	0.2%	-10.3%

### FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1388	0.0%	1.6%
GBP/USD	1.2552	0.0%	-5.3%
USD/JPY	107.11	0.1%	1.4%

### Government Bonds

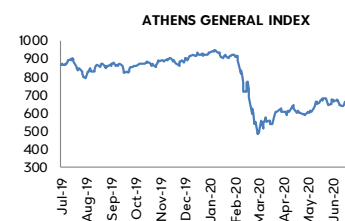
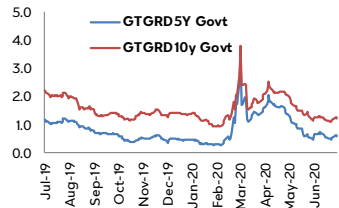
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.61	-1	-131
Bund-10yr	-0.47	0	-28
JGB - 10yr	0.03	0	4



## GREECE

### Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.60	0	11
10Y Bond	1.22	0	-21
Δ10YBund-10YGG	1.69	0	7



## EMERGING MARKETS

### Stock markets

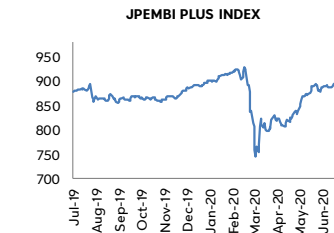
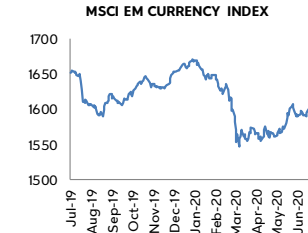
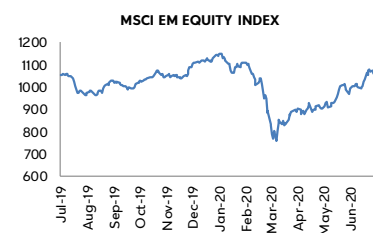
	Last	ΔD	ΔYTD
SOFIX	444.77	0.0%	-21.7%
BELEX	656.61	0.2%	-1809.7%
XUI00	118731.40	-0.1%	376.4%

### FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.484	0.0%	-5.1%
EUR/RSD	117.641	0.0%	0.1%
USD/TRY	6.8589	0.0%	-13.2%

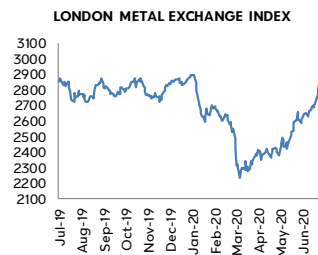
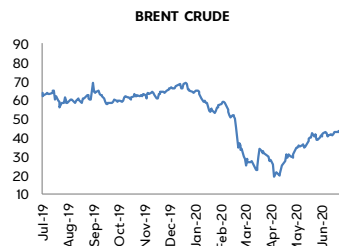
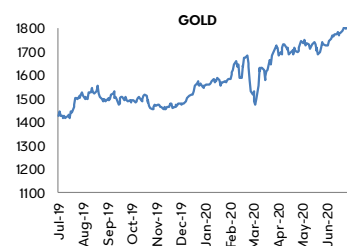
### Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.79	-7	66
BG 8Y yield	Invalid Security		
PL 10Y yield	1.33		



## COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1800	0.2%	18.6%
BRENT CRUDE	43	-0.6%	-34.7%
LMEX	2844	0.4%	0.0%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research  
Data updated as of 10:25 EEST

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