

# GLOBAL & REGIONAL DAILY

## HIGHLIGHTS

September 17, 2020

### Global Markets

The Fed stayed put on interest rates and left its balance sheet policies unchanged, while, consistent with the shift to a flexible average inflation targeting regime, a new rates guidance was adopted. The Fed now expects interest rates to remain unchanged until “maximum employment” is achieved and “inflation has risen to 2.0% and is on track to moderately exceed 2.0% for some time”. According to the new interest rate forecast “dots”, the median outlook is for unchanged rates until at least 2023, while, as suggested by the SEP, at that point the median forecast is for inflation to return to 2.0% and for unemployment to approach the estimated natural rate of 4.1%. Meanwhile, risk-off mode prevailed earlier today and the USD firmed in reaction to the lack of new Fed stimulus and the Fed signal for unchanged rates for a long time.

### Greece

According to the preliminary data for the execution of the State Budget on a modified cash basis, the State Budget primary balance for the period Jan – Aug 2020 recorded a deficit of €6.6bn, against the primary surplus target of €1.2bn and the primary surplus of €2.9bn recorded at the same period of the previous year. Tax revenues, in particular, amounted to €27bn, €3.6bn lower or 11.9% against the target in the Budget 2020 introductory report. However, compared to the updated estimation for the period Jan – Aug 2020 included in the Stability Program, tax revenues are increased by c. €370mn. According to press, sources from the MinFin estimate the 2020 primary deficit at 6% of GDP, while the aim for 2021 is zero primary deficit and the return to a primary surplus in 2022.

### CESEE

**BULGARIA:** According to the employment agency, the registered unemployment rate fell in August, by 0.4% on a monthly basis to 7.5% yet on an annual basis, the rate went up by 2.2%. The annual increase is, as broadly anticipated, attributed to the Covid-19 pandemic and its economic repercussions. **SERBIA:** The Ministry of Finance raised on Monday RSD3.2bn in 5-year bonds. The initial scope of the auction was RSD44.6bn, but the Ministry reduced the target of the auction at RSD5bn amid lukewarm investors' interest. Placed bids reached only RSD3.2bn, capping the amount of the issue at that level. The notes bear a 3% semi-annual coupon and were sold at an average yield of 2.65%, which is a tad higher than the yield of 2.60% achieved at the identical August 25 auction of dinar securities.

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## GLOBAL MARKETS

### Stock markets

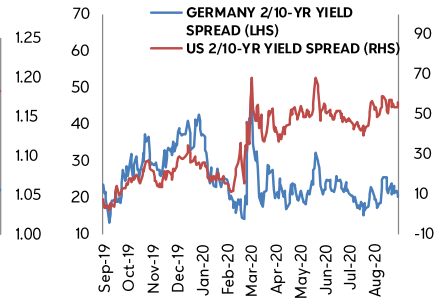
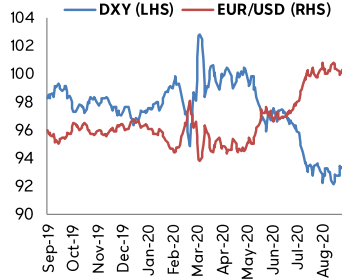
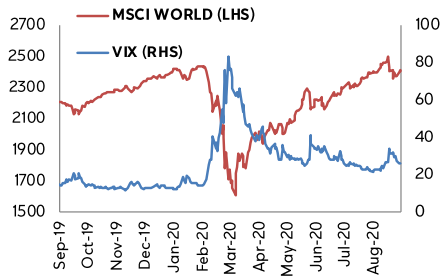
	Last	ΔD	ΔYTD
S&P 500	3385.49	-0.46%	4.8%
Nikkei 225	23319.37	-0.7%	-1.4%
STOXX 600	373.13	0.6%	-10.3%

### FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1773	-0.4%	5.0%
GBP/USD	1.2957	-0.1%	-2.2%
USD/JPY	104.83	0.1%	3.6%

### Government Bonds

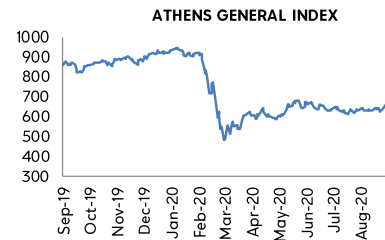
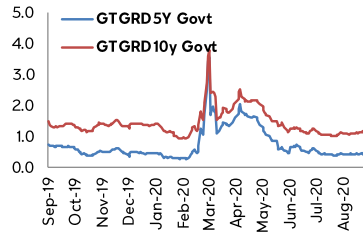
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.67	-3	-125
Bund-10yr	-0.49	-1	-31
JGB - 10yr	0.02	-1	3



## GREECE

### Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.40	0	-9
10Y Bond	1.06	0	-37
Δ(10YBund-10YGG)	1.56	0	-6



## EMERGING MARKETS

### Stock markets

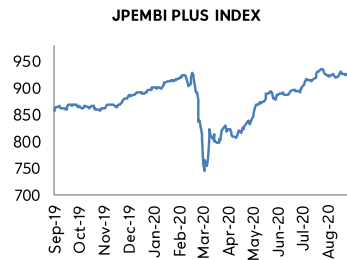
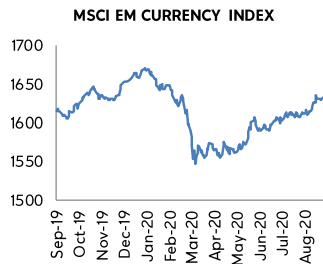
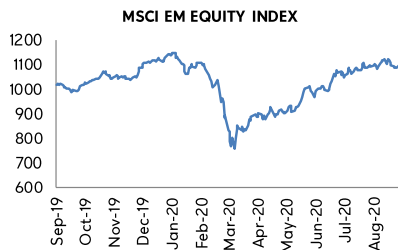
	Last	ΔD	ΔYTD
SOFIX	429.81	-0.2%	-24.3%
BELEX	690.26	0.0%	-1389.9%
XU100	1107.11	-0.4%	-324.6%

### FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.4575	-0.2%	-4.6%
EUR/RSD	117.585	0.0%	0.1%
USD/TRY	7.5138	-0.2%	-20.8%

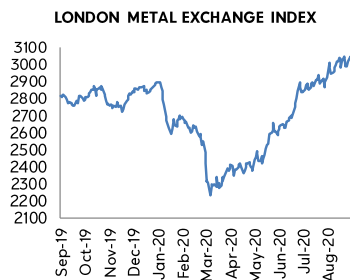
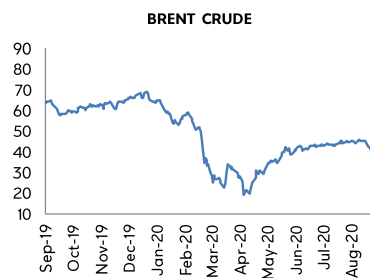
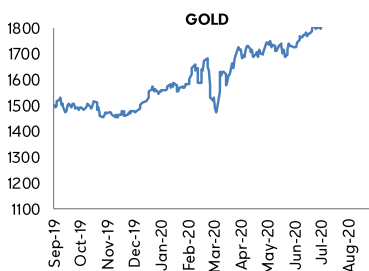
### Government Bonds

	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	1946	-0.7%	28.2%
BRENT CRUDE	42	-1.6%	-37.0%
LME	3041	0.3%	6.9%



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