

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

May 18, 2020

Global Markets

Market sentiment on risk assets was moderately positive in early trade today, on market optimism that the world economy is close to emerging from recession, as several countries are gradually lifting lockdown measures. Against this background, investors shrugged off rising tension in US/China relations and Fed Chair Jerome Powell's comments over the weekend that a full recovery of the US economy depends on the arrival of a coronavirus vaccine and could "stretch through the end of next year". Meanwhile, oil prices extended recent gains, with Brent crude hitting a peak close to \$34/bbl earlier today, while in FX markets, the USD retained a positive tone despite Friday's weak US retail sales and IP data. As a result, the EUR/USD was hovering close to the lower boundary of the 1.08-1.09 range ahead of Friday's Eurozone PMIs for May.

Greece

According to the preliminary data released by the Ministry of Finance, in Apr-20 the State Budget net revenues amounted to €3,007mn, €1,178mn below the monthly target. This is due in part to an amount of €779mn, (dividend of the BoG and SMP/ANFA income) that was received in March instead of April as was initially estimated. The remaining decrease of €399mn is due to the tax relief measures to companies affected by COVID-19, as well as the 25% discount as an incentive for VAT and assessed taxes paid on time. According to the Deputy Minister in charge of fiscal policy, the impact of COVID-19 will likely be greater on the fiscal performance of May and June. Meanwhile, the next phase of relaxation of restrictions starts today with the opening up, among others, of malls, museums and archaeological sites.

CESEE

Cyprus: The flash estimate of Q1-2020 provided first evidence of the impact of the covid-19 shock on economic activity. Real GDP expanded by -1.3% QoQ/0.8% YoY compared to 1% QoQ/3.2% YoY in Q4-2019. The reading is the lowest since Q4-2014, but still much higher compared to that of Euroarea (-3.8% QoQ/-3.2% YoY). According to CYSTAT, the deceleration is mainly attributed to the sectors: "Hotels and Restaurants", "Manufacturing", "Arts, Entertainment and Recreation", "Other Service Activities" and "Construction". However, CYSTAT stressed that due to the unprecedented situation, it had to make imputations for the short-term indicators of March based on Eurostat methodology. Thus, CYSTAT implied that the future revision of the flash estimate may be greater, either to the positive or negative side, than usual.

Contributing Authors

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Ioannis Gkionis
Senior Economist
igkionis@eurobank.gr

GLOBAL MARKETS

Stock markets

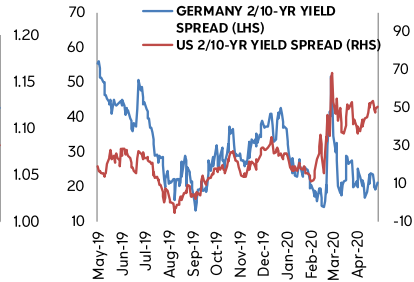
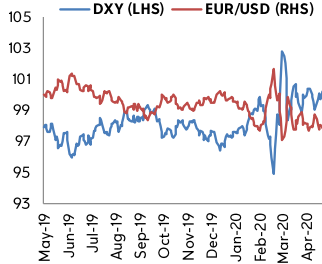
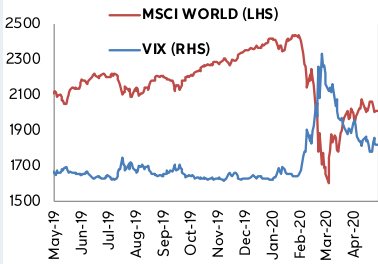
	Last	ΔD	ΔYTD
S&P 500	2863.70	0.39%	-11.4%
Nikkei 225	20133.73	0.5%	-14.9%
STOXX 600	328.24	0.5%	-21.1%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.0824	0.0%	-3.5%
GBP/USD	1.2108	-0.1%	-8.7%
USD/JPY	107.21	-0.1%	1.3%

Government Bonds

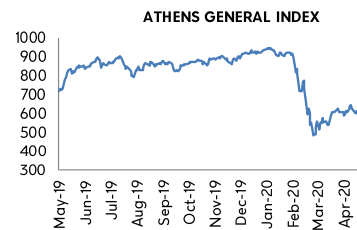
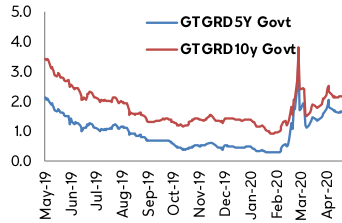
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.65	1	-127
Bund-10yr	-0.51	2	-33
JGB - 10yr	-0.01	-1	0



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	1.38	-1	89
10Y Bond	2.05	-1	61
Δ(10YBund-10YGG)	2.56	0	94



EMERGING MARKETS

Stock markets

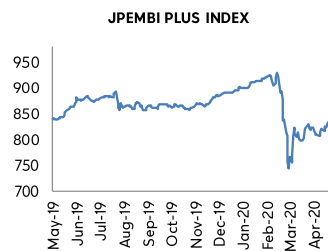
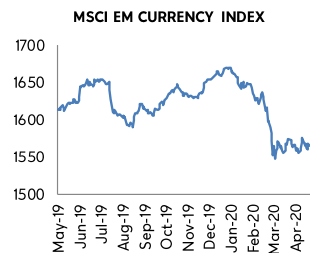
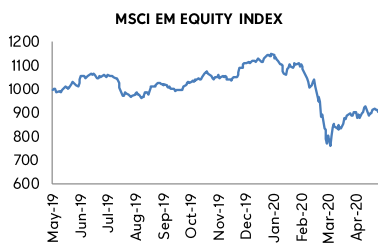
	Last	ΔD	ΔYTD
SOFIX	450.13	0.1%	-20.8%
BELEX	667.14	0.8%	-1678.3%
XUI100	99768.15	0.6%	-1280.9%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.5654	0.1%	-6.8%
EUR/RSD	117.618	0.0%	0.1%
USD/TRY	6.8776	0.3%	-13.5%

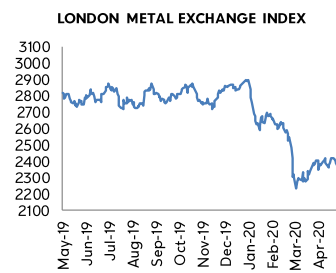
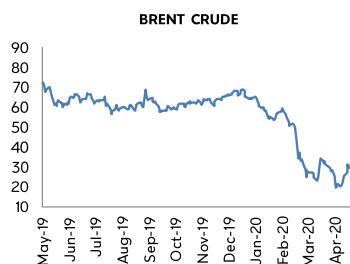
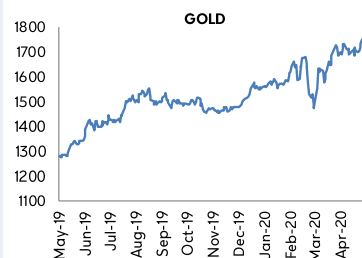
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	7.81	-9	168
BG 8Y yield	Invalid Security		
PL 10Y yield	1.30		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1761	1.0%	16.1%
BRENT CRUDE	34	3.8%	-48.9%
LMEX	2376	-0.6%	-16.4%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 09:50 EEST

Research Team



Dr. Tasos Anastasatos | Group Chief Economist
tanastasatos@eurobank.gr | + 30 214 40 59 706



Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr
+ 30 210 37 18 793



Ioannis Gkionis
Senior Economist
igkionis@eurobank.gr
+ 30 214 40 59 707



Dr. Stylianos Gogos
Economic Analyst
sgogos@eurobank.gr
+ 30 210 37 18 733



Maria Kasola
Economic Analyst
mkasola@eurobank.gr
+ 30 210 33 18 708



Olga Kosma
Research Economist
okosma@eurobank.gr
+ 30 210 37 18 728



Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr
+ 30 210 37 18 991



Dr. Theodoros Stamatou
Senior Economist
tstamatou@eurobank.gr
+ 30 214 40 59 708



Elia Tsiampaou
Economic Analyst
etsiampaou@eurobank.gr
+ 30 214 40 59 712

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