

# GLOBAL & REGIONAL DAILY

## HIGHLIGHTS

June 18, 2020

### Global Markets

Investors retained a cautious stance on risk assets earlier today amid rising fears over a second wave of COVID-19 infections, following a new outbreak in Beijing and a surge in new cases in several US states. Favored by global equity markets' poor performance and yesterday's well-received auction of 20-yr bonds, US Treasuries firmed, with long-dated paper outperforming. Expectations for more policy stimulus, also favored, after Fed Chair Jerome Powell reiterated in his second day of congressional testimony that the central bank will use its "full range of tools" to address the economic impact of the pandemic. In FX markets, the USD retained a positive tone, with the EUR/USD standing not far from yesterday's near two-week low of 1.1205. Today, the BoE will publish its policy decision from the meeting that ended yesterday.

### Greece

According to the European Commission's report on the Impact of Demographic Change, the old-age dependency ratio in Greece in 2019, stood at 37.6%, among the worst in EU Member States, which corresponds to less than three working age people for every person aged 65 or over. Worst still, the report foresees that by 2070, there will be less than two working age people for every person aged 65 or over, which represents a major risk to the social security system. The total fertility rate in 2018 was 1.35 live births per woman, the 5<sup>th</sup> lowest in the EU. In other news, the Ministry of Finance decided the extension until the end of the year of the 30% reduction to the VAT rates of a number of goods and services, in five islands that bear the brunt of the refugee crisis.

### CESEE

Bulgaria: The current account (CA) posted a EUR186.5mn surplus in April compared to a EUR249.7mn deficit in the same month of the previous year. Cumulatively, from January to April, the CA surplus increased to EUR625.5mn, compared to a EUR19.7mn deficit in the same period in 2019. The improvement in the CA balance in April was broadly driven by the shift of the trade balance into positive territory. The trade surplus amounted to EUR120.2mn, as the decline of imports (-29.8%YoY) was deeper than that of exports (-18.0%YoY). Considering that April was the month with the strictest restrictions both in Bulgaria and its trading partners, in the form of border lockdowns and temporary shutdowns in various industries, the plunge in the trade flows was expected.

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**GLOBAL MARKETS**
**Stock markets**

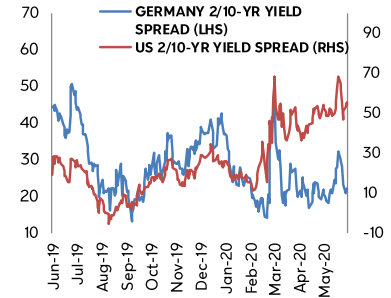
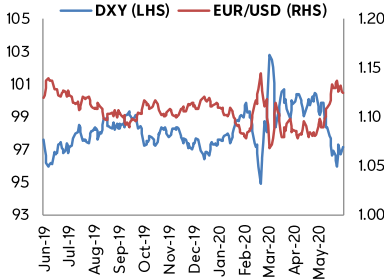
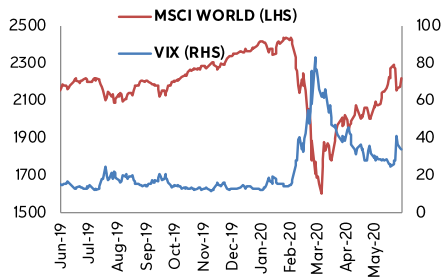
	Last	ΔD	ΔYTD
S&P 500	3113.49	-0.36%	-3.6%
Nikkei 225	22357.33	-0.4%	-5.5%
STOXX 600	366.02	0.7%	-12.0%

**FOREX**

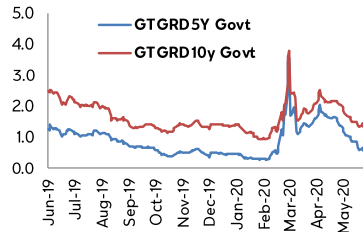
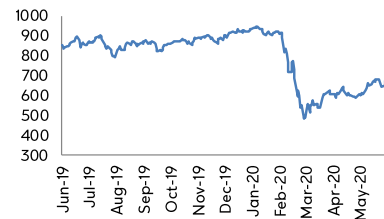
	Last	ΔD	ΔYTD
EUR/USD	1.1248	0.0%	0.3%
GBP/USD	1.2548	-0.1%	-5.3%
USD/JPY	106.87	0.1%	1.6%

**Government Bonds**

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.71	-3	-121
Bund-10yr	-0.39	4	-21
JGB - 10yr	0.01	-1	2


**GREECE**
**Government Bonds**

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.64	16	15
10Y Bond	1.26	9	-17
Δ(10YBund-10YGGB)	1.65	0	4


**ATHENS GENERAL INDEX**

**EMERGING MARKETS**
**Stock markets**

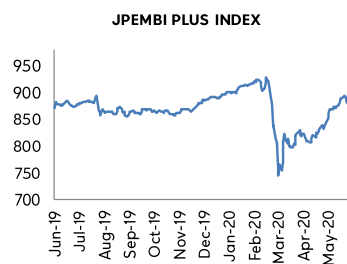
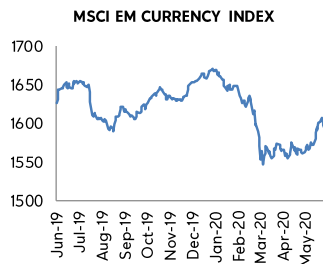
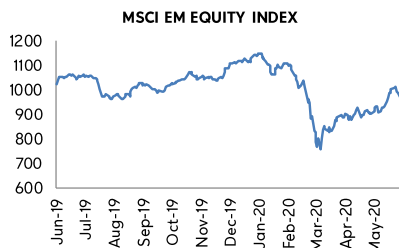
	Last	ΔD	ΔYTD
SOFIX	459.46	0.4%	-19.1%
BELEX	675.80	-0.1%	-1570.3%
XU100	110940.00	0.0%	-304.6%

**FOREX**

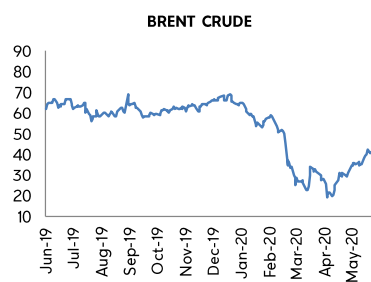
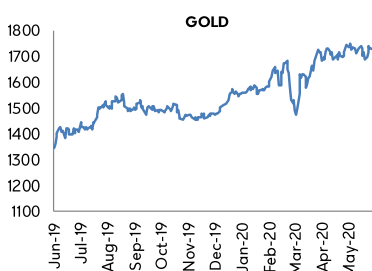
	Last	ΔD	ΔYTD
EUR/PLN	4.4626	0.1%	-4.7%
EUR/RSD	117.674	0.0%	0.1%
USD/TRY	6.8536	-0.1%	-13.2%

**Government Bonds**

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.45	-7	32
BG 8Y yield	Invalid Security		
PL 10Y yield	1.44		


**COMMODITIES**

	Last	ΔD	ΔYTD
GOLD	1728	0.1%	13.9%
BRENT CRUDE	40	-0.5%	-38.7%
LMEX	2620	0.7%	-7.9%


**LONDON METAL EXCHANGE INDEX**


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