

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

May 19, 2020

Global Markets

Market sentiment on risk assets remained positive earlier today supported by news over positive tests on a coronavirus vaccine. A joint proposal by Germany and France on a €500bn Recovery Fund that could offer grants to the EU countries and sectors hardest hit by the pandemic, also favored risk sentiment. Under the said proposal, the European Commission would borrow money on financial markets and provide it to governments through the EU budget in the form of grants. In reaction to the above, German Bund yields moved higher, with the 10-yr yield hitting a three-week peak of -0.45% earlier today, while EMU periphery sovereign bonds gained sharply, with Italy outperforming. In FX markets, the EUR was firmer across the board, with the EUR/USD breaking above 1.09 and the EUR/CHF regaining the 1.06 handle.

Greece

According to press, the Prime Minister Kyriakos Mitsotakis will announce tomorrow a new package of measures for the support of employment, tourism and the economy as a whole for the period ahead. At the same time, the government is reportedly planning to lift restrictions for travelers from the European Union, Schengen countries and Israel by 1 July at the latest. Meanwhile, two weeks after the start of the relaxation of the lockdown measures, the spread of COVID-19 in Greece remains subdued. On May 18, there were only 2 new confirmed cases bringing the total number to 2,836 and 2 deaths, bringing the total to 165 since the beginning of the pandemic. In other news, Angela Merkel and Emmanuel Macron have agreed to the creation of a €500bn recovery fund to boost the European economy.

CESEE

Bulgaria: According to the flash estimate, real GDP growth slowed sharply to 0.3% QoQ/0.8% YoY in Q1-2020 compared to 0.8% QoQ/3.1% YoY in Q4-2019. The deceleration reflects largely the lockdown and social distancing measures imposed in mid-March due to the Covid-19 pandemic. The reading is the lowest since Q3-2014, but nevertheless is still much higher compared to that of the Euroarea (-3.8% QoQ/-3.2% YoY). Cyprus: DBRS affirmed the long-term sovereign rating of the Republic at BBB low, changing the outlook (they call it trend) from positive to stable. The trend change reflects the negative impact of Covid-19 on the public debt trajectory, given that sustained robust economic growth and large primary surpluses, will no longer be the case in the near term.

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GLOBAL MARKETS

Stock markets

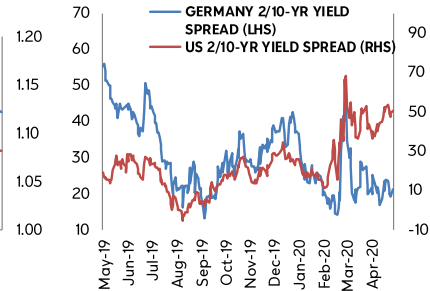
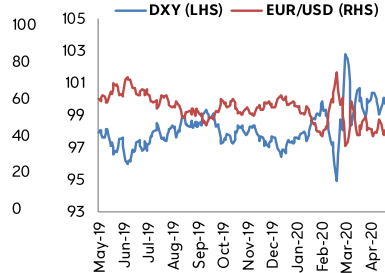
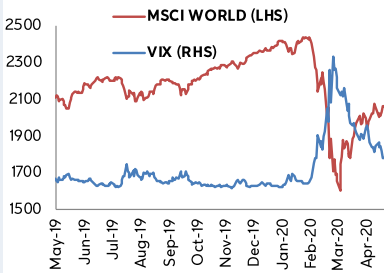
	Last	ΔD	ΔYTD
S&P 500	2953.91	3.15%	-8.6%
Nikkei 225	20453.45	1.5%	-13.6%
STOXX 600	340.71	-0.3%	-18.1%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.0927	0.1%	-2.6%
GBP/USD	1.2255	0.3%	-7.7%
USD/JPY	107.43	-0.1%	1.1%

Government Bonds

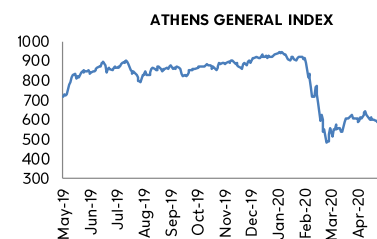
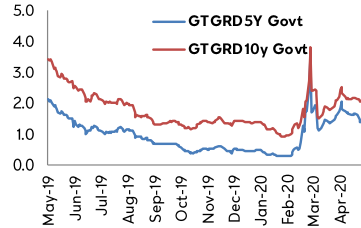
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.70	-2	-121
Bund-10yr	-0.48	-1	-30
JGB - 10yr	0.00	1	1



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	1.20	-12	71
10Y Bond	1.87	-10	44
Δ(10YBund-10YGGB)	2.36	0	74



EMERGING MARKETS

Stock markets

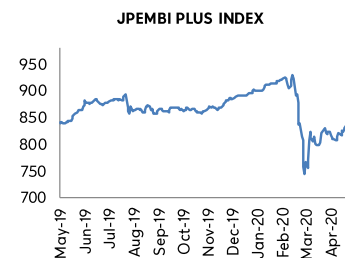
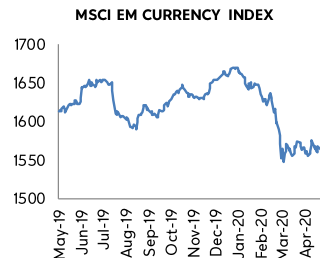
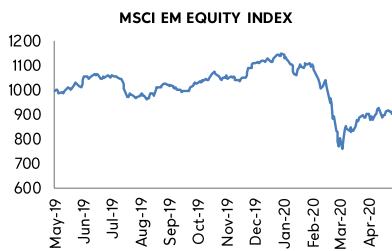
	Last	ΔD	ΔYTD
SOFIX	450.30	0.1%	-20.7%
BELEX	672.65	0.1%	-1609.6%
XU100	101983.00	2.2%	-1087.4%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.5568	0.1%	-6.6%
EUR/RSD	117.573	0.1%	0.1%
USD/TRY	6.8699	0.2%	-13.4%

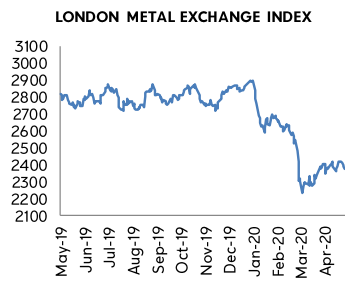
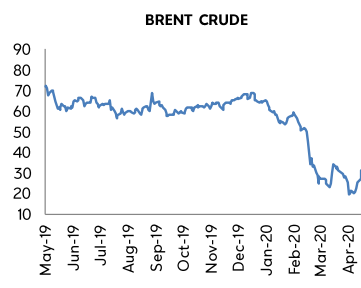
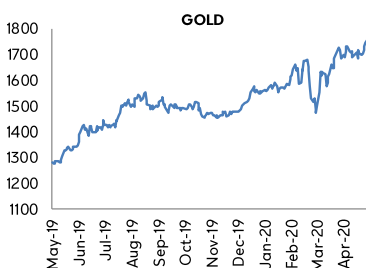
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	7.50	-40	137
BG 8Y yield	Invalid Security		
PL 10Y yield	1.34		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1732	0.0%	14.1%
BRENT CRUDE	35	1.3%	-46.6%
LMEX	2441	2.7%	-14.2%



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