

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

May 21, 2020

Global Markets

Investors retained a cautious stance on risk assets earlier today, after weak South Korea's May trade figures reinforced worries about the long-term impact of the pandemic on the world economy. Favored by their safe-haven appeal, USTs and Bunds opened higher today, while EMU sovereign bonds remained under some pressure as several countries (Austria, Netherlands, Denmark, Sweden) oppose the France-German Recovery Fund proposal. In FX markets, the GBP underperformed its major peers on speculation regarding the potential for negative BoE policy rates. Elsewhere, the EUR/USD retained most of its recent gains, standing close to 1.10 at the time of writing, favored by yesterday's rebound in EA May consumer confidence to -18.8 (+3.2pts). Focus today is on EA preliminary PMIs for May, initially scheduled for Friday.

Greece

The PM Kyriakos Mitsotakis announced yesterday the 2nd phase of the fiscal stimulus programme, the cornerstone of which is the scheme partly subsidizing employees with reduced working hours. Incentives for new hires will be announced further down the road. The programme also foresees a temporary VAT reduction, for transport, non-alcoholic drinks, cinemas and tourist packages. Finally, a 2nd batch of €1bn of working capital will be extended to enterprises. The PM also announced the re-opening of tourism in two stages, on 15 June to a set of countries with similar epidemiological characteristics to those of Greece and on 1 July to most other countries. In other news, according to ELSTAT, the overall turnover index in industry in Mar-20 decreased by 9.3%YoY (in Mar-19 it had decreased by 5.7%YoY).

CESEE

Serbia: The European Commission and the government agreed on six recommendations on the fiscal measures designated to fight the negative impact of the Covid-19 pandemic. The recommendations of the EC are mostly focused on the preserving financial stability, commitment to transparent and non-discriminatory aid to corporates in distress, short-term measures to secure employment and active labour market policy, and increases of social transfers in order to assist the mostly hurt social groups. In other news, the NBS will start buying dinar corporate bonds on the secondary market from commercial banks. Corporate bonds issued by the end of 2020 with a maximum maturity of five years and a creditworthy rating assigned by Business Registers Agency (APR) will be eligible.

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GLOBAL MARKETS

Stock markets

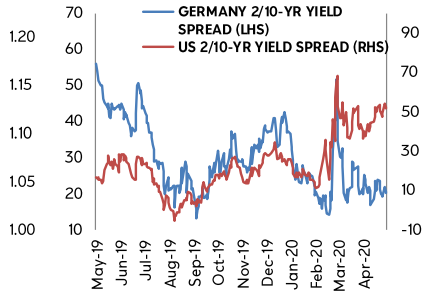
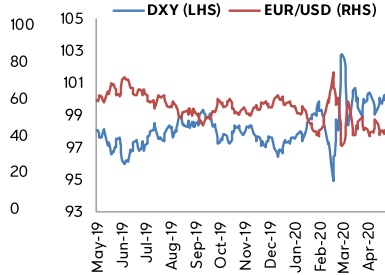
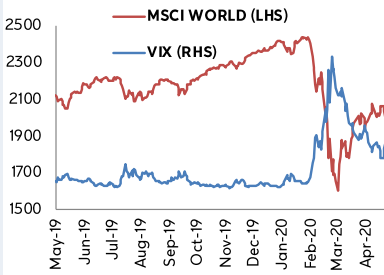
	Last	ΔD	ΔYTD
S&P 500	2971.61	1.67%	-8.0%
Nikkei 225	20552.31	-0.2%	-13.1%
STOXX 600	339.86	-0.9%	-18.3%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.0969	-0.1%	-2.2%
GBP/USD	1.2199	-0.4%	-8.0%
USD/JPY	107.83	-0.3%	0.7%

Government Bonds

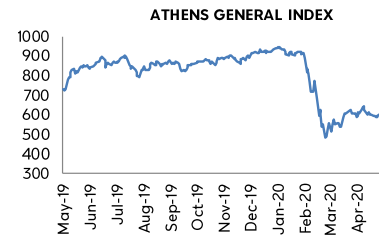
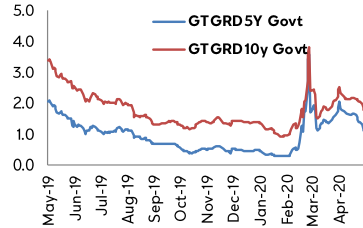
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.67	-1	-125
Bund-10yr	-0.48	-1	-30
JGB - 10yr	0.00	0	1



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	1.13	-1	64
10Y Bond	1.79	0	35
Δ(10YBund-10YGGB)	2.27	0	65



EMERGING MARKETS

Stock markets

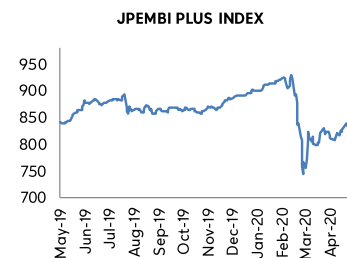
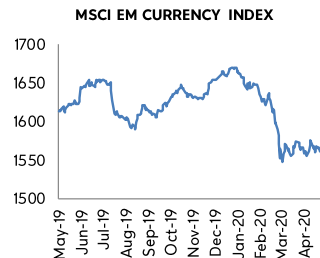
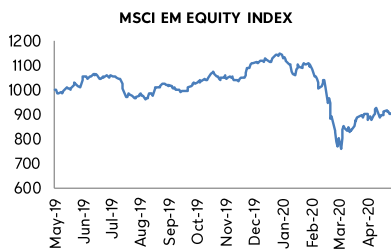
	Last	ΔD	ΔYTD
SOFIX	449.20	-0.1%	-20.9%
BELEX	673.50	0.1%	-1599.0%
XU100	102617.50	0.5%	-1031.9%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.5375	-0.1%	-6.2%
EUR/RSD	117.568	0.0%	0.1%
USD/TRY	6.7893	0.0%	-12.3%

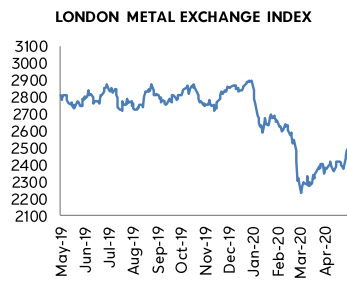
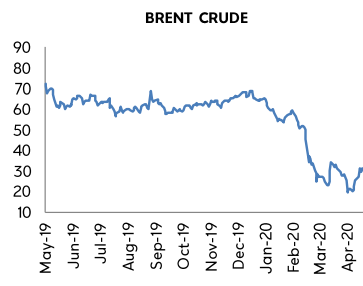
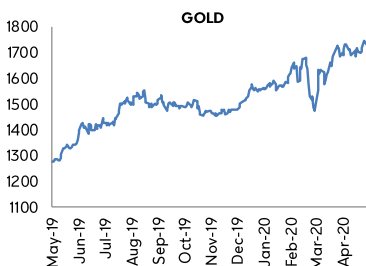
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	7.10	-6	97
BG 8Y yield	Invalid Security		
PL 10Y yield	1.38		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1738	-0.6%	14.5%
BRENT CRUDE	36	1.6%	-45.0%
LMEX	2490	1.4%	-12.4%



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