

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

April 22, 2020

Global Markets

Oil prices continued to decline, with the June WTI contract losing more than a third of its value since yesterday, while Brent crude stood slightly below \$17/bbl in early trade today, its lowest level since mid-2006, down by 53% from its early-April highs and by 74% y-t-d. Concerns about the expected repercussions of sharply lower oil prices in the energy sector, kept global equity markets under pressure, with investors shrugging off news that the US Senate approved \$484bn in additional fiscal stimulus. Favored by the lackluster performance of global equities, UST and German Bunds remained well supported, while the EUR-USD continued to hover in the middle of the 1.08-1.09 range. ECB Governing Council members will reportedly hold a video conference today to discuss whether to accept junk-rated debt as collateral from lenders.

Greece

The Bank of Greece Governor Yiannis Stournaras expressed the opinion that estimates of a -10% Greek GDP contraction in the worst case scenario are excessive and noted that he expects this year's economic recession to range between -4% to -8%. He also stated that the crisis is likely to adversely affect NPLs, saying that new NPLs will likely be seen either in the second half of 2020 or early in 2021. Finally, he argued that the idea of a 'bad bank' should be re-examined if the market remains dysfunctional in H2-2020, whether on European or national level. Meanwhile, the €800 allowance for workers whose employment contract has been suspended due to the COVID19 crisis is extended to an additional 160,000 people.

CESEE

Bulgaria: Prime Minister Boiko Borissov announced yesterday that the government will submit an application for the ERM2 by the end of this week. As of late February, the government had made solid progress in the ERM2 entry requirements application checklist. The checklist has been a part of a roadmap agreed with EU institutions and ECB following the country's official request in July 2018 as part of its endorsed strategy to simultaneously join the ERM2 and the Banking Union. Yet, Mr. Borissov decided to delay the application until July in order to buy time and build an absolute consensus within the country. In addition, a letter has been addressed to ECB aiming at establishing a swap line. The swap line will enable the Central Bank to receive liquidity in Euros in exchange for Leva, securing additional stability for the currency board.

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GLOBAL MARKETS

Stock markets

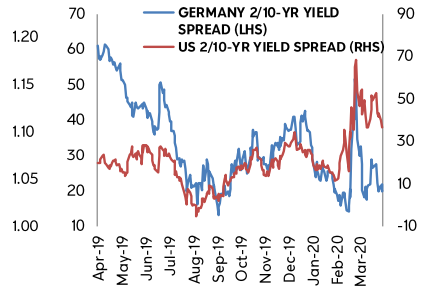
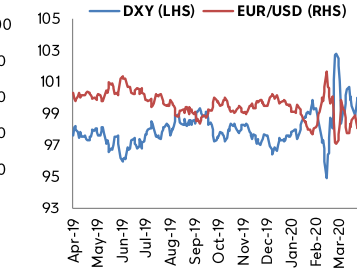
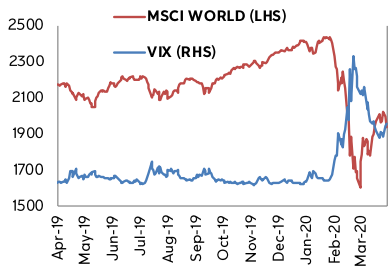
	Last	ΔD	ΔYTD
S&P 500	2736.56	-3.07%	-15.3%
Nikkei 225	19137.95	-0.7%	-19.1%
STOXX 600	326.64	0.7%	-21.5%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.0867	0.1%	-3.1%
GBP/USD	1.2324	0.3%	-7.0%
USD/JPY	107.55	0.2%	1.0%

Government Bonds

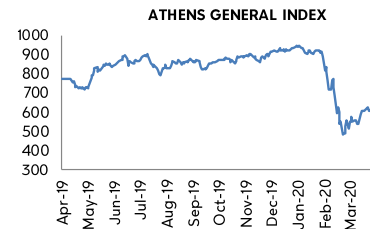
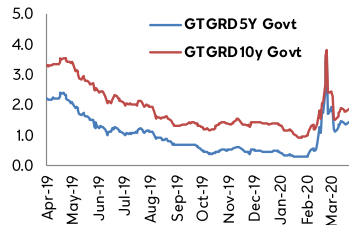
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.57	0	-135
Bund-10yr	-0.46	1	-28
JGB - 10yr	0.00	-2	1



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	1.92	4	143
10Y Bond	2.45	-2	102
Δ(10YBund-10YGGGB)	2.91	0	129



EMERGING MARKETS

Stock markets

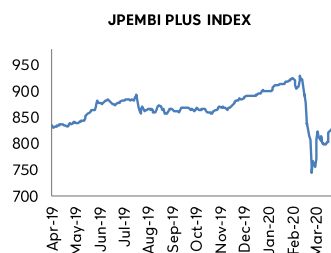
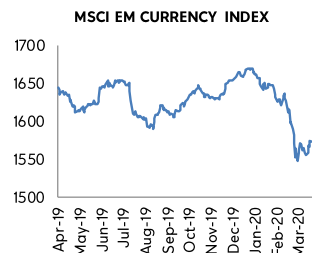
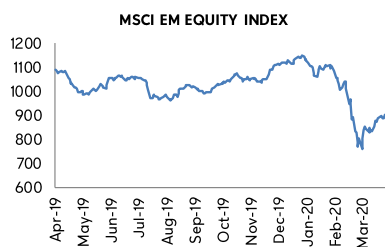
	Last	ΔD	ΔYTD
SOFIX	429.12	0.0%	-24.5%
BELEX	690.63	0.1%	-1385.3%
XU100	98031.73	0.4%	-1432.7%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.5284	0.1%	-6.1%
EUR/RSD	117.606	0.0%	0.1%
USD/TRY	6.9718	0.1%	-14.6%

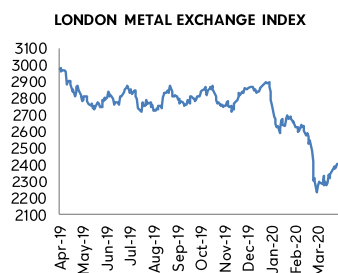
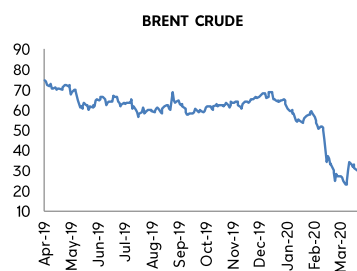
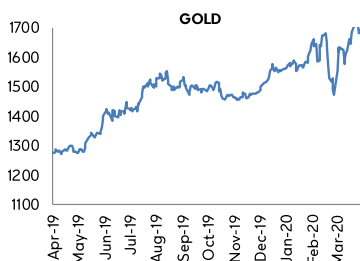
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	8.44	-10	231
BG 8Y yield	Invalid Security		
PL 10Y yield	1.31		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1692	0.3%	11.5%
BRENT CRUDE	17	-11.3%	-74.0%
LMEX	2349	-2.4%	-17.4%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 10:25 EEST

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