

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

July 22, 2020

Global Markets

Several asset classes reached y-day their strongest levels since March, but major equity indices came off their highs in the last hours of trading with risk-on sentiment turning into concern about rising Covid-2019 cases and political disagreement over an additional round of US fiscal stimulus. Although the measures already in place are about to expire within the next few weeks, Senate Majority leader Mitch McConnell has reportedly said that he does not expect a new fiscal package to be passed in two weeks' time. Against this backdrop, the USD nursed losses against most currencies, while the EUR/USD skyrocketed to its highest level of 1.1547 since January 2019, as investors see the EU agreement as an important step towards a more integrated Europe. In commodity markets, precious metals soared with spot silver rising to a six-year high of \$23, recording weekly gains of more than 15%, and gold hitting a fresh nine-year high of \$1,865.

Greece

According to the BoG, in the period Jan-May 2020, the current account deficit reached €5.6bn, up by €706mn YoY, as the deterioration in the services balance and the secondary income account more than offset the improvement in the balance of goods and the primary income account. The deficit of the balance of goods narrowed, as imports fell at a faster pace than exports, largely reflecting developments in oil imports and exports, respectively. Non-oil exports of goods dropped by 4.1%YoY and the corresponding imports fell by 11.6%YoY. The surplus of the services balance decreased by half, due to a deterioration across its sub-components, mostly the travel balance, with non-residents' receipts falling by 78.5%YoY, while in the transport balance, its surplus shrank by 20.4%YoY.

CESEE

Bulgaria: Following the EU budget agreement at the EU Summit, PM Boyko Borissov announced that Bulgaria will receive EUR29bn of EU funds from the Next Generation Fund and the EU budget for 2021-2027. The amount of the respective allocation is by EUR1bn higher, compared to the amount allocated in the current programming period and despite the overall reduction by EUR62bn of the 2021-2027 EU budget. The country will receive, inter alia, EUR9bn for the funding of cohesion policies, which is by EUR0.8bn higher than the current programming period, and will also be granted EUR7.7bn as non-refundable aid from the Next Generation Fund. On the politics front, the parliament, as broadly expected, rejected the no-confidence vote against the government, which was initiated by the opposition Bulgarian Socialist Party (BSP).

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GLOBAL MARKETS
Stock markets

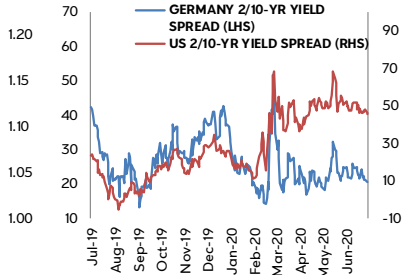
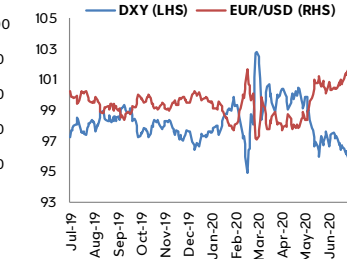
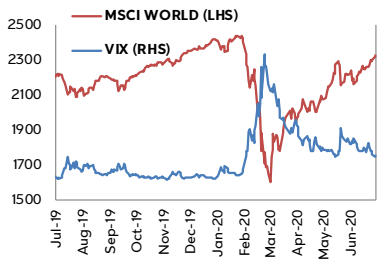
	Last	ΔD	ΔYTD
S&P 500	3257.30	0.17%	0.8%
Nikkei 225	22751.61	-0.6%	-3.8%
STOXX 600	376.70	0.3%	-9.4%

FOREX

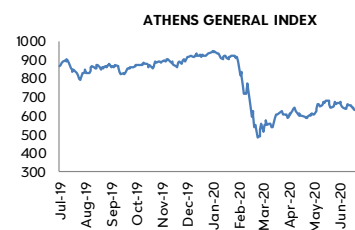
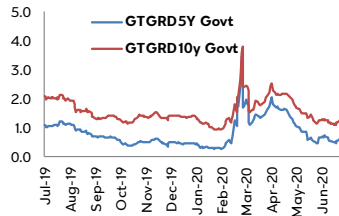
	Last	ΔD	ΔYTD
EUR/USD	1.154	0.1%	2.9%
GBP/USD	1.2725	0.0%	-4.0%
USD/JPY	106.79	0.0%	1.7%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.60	0	-132
Bund - 10yr	-0.46	0	-27
JGB - 10yr	0.02	-1	3


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.47	0	-1
10Y Bond	1.11	0	-32
Δ(10YBund-10YGGB)	1.57	0	-5


EMERGING MARKETS
Stock markets

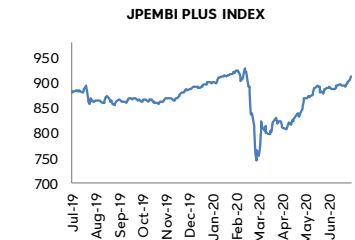
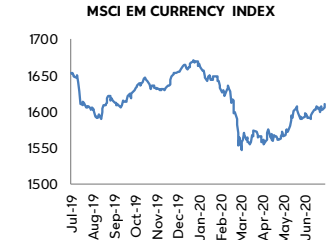
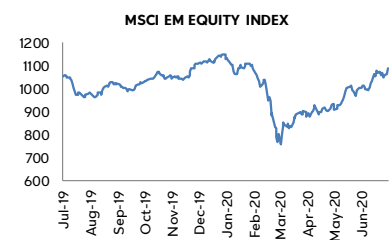
	Last	ΔD	ΔYTD
SOFIX	441.46	-0.1%	-22.3%
BELEX	664.03	0.8%	-1717.1%
XU100	118042.00	-1.0%	316.1%

FOREX

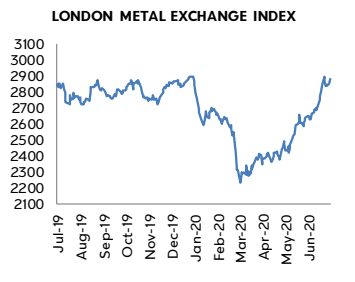
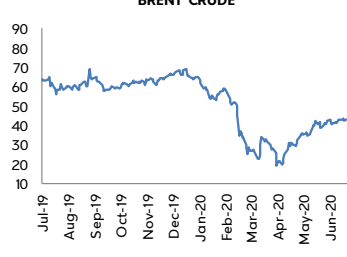
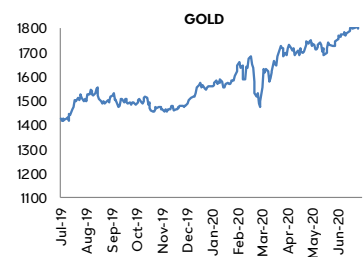
	Last	ΔD	ΔYTD
EUR/PLN	4.4289	0.1%	-3.9%
EUR/RSD	117.59	0.1%	0.1%
USD/TRY	6.8516	-0.4%	-13.1%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.59	-7	46
BG 8Y yield	Invalid Security		
PL 10Y yield	1.31		


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1860	1.0%	22.6%
BRENT CRUDE	44	-0.5%	-33.2%
LMEX	2881	1.2%	1.3%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research

Data updated as of 10:05 EEST

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