

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

March 23, 2020

Global Markets

Having lost nearly 30% from their mid-February peak, the majority of global equities continued to move lower in early trade today as national lockdowns in several Eurozone countries and a number of US states to contain the continued acceleration in the spread of the COVID-19, threaten to overwhelm policymakers' efforts to prevent a profound global growth recession. Meanwhile, oil prices remained under pressure also affected by news that Russia rejected US President Donald Trump's intervention in its price war with Saudi Arabia. Brent crude hit a fresh 15-year trough slightly below \$26/bbl earlier today, having declined by some 60% y-t-d. Elsewhere, the USD retained a positive tone with the DXY index recording a new 3-year peak close to 103 earlier today before moving slightly lower on news that US policymakers failed to pass yesterday a proposed \$1trn stimulus package.

Greece

According to the latest BoG data, in Jan-20, the current account deficit reached €1.3bn higher by €108mn compared to Jan-19, which is attributed to a deterioration in all balance of payments components, excluding the balance of goods. More specifically, the deficit of the balance of goods decreased, as exports at current prices grew by 13.1%YoY while imports by 2.4%YoY. The surplus of the services balance decreased due to a deterioration in the transport and other services balances whereas the travel balance improved. In other news, a curfew has been imposed in Greece since 6am this morning, to combat the spread of the coronavirus. Total confirmed COVID-19 cases have reached 624 and fatalities 15.

CESEE

Cyprus: The government submitted a supplementary budget of €302mn with a fiscal impact of 1.3% of GDP on Friday, as part of a €700mn financial support package to address the negative impact of Covid19 on the domestic economy. The supplementary budget covers expenditures of the package aiming to support vulnerable social groups, private companies, self-employed and the economy in general. On the same day, the Cyprus Electricity Authority (CEA) announced that electricity prices will be reduced by 10% for a period of two months. The move came on top of the Central Bank's decision on Wednesday to relax banks' capital requirements by an additional €100mn, on top of the SSM decision, bringing the total amount released to €1.4bn. The measures aim to encourage banks to continue lending and show a more flexible stance.

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