

# GLOBAL & REGIONAL DAILY

## HIGHLIGHTS

November 23, 2020

### Global Markets

In spite of the continued spread of Covid-19 infections and the surprise announcement by US Treasury Secretary Steven Mnuchin last week about not extending several of the Fed's emergency credit facilities beyond December 31, risk-on sentiment prevailed early today, amid hopes for an improving economic outlook on effective vaccines being rolled out soon. According to reports, the US FDA will meet on December 10 to discuss Pfizer's request for emergency use of its Covid-19 vaccine and an approval could be granted within 24 hours, while, by December 12 the first vaccines could be given to US healthcare workers and others recommended for the nation's first Covid-19 inoculations. In FX markets, major currency pairs continued to consolidate within recent tight ranges, ahead of today's November PMIs for the EA and the US.

### Greece

According to the 2021 budget, given the economic impact of the three main channels of transmission of the health crisis (production, employment and domestic demand, external sector) and the offsetting effect of the financial support measures, the 2020 projected GDP contraction is set at 10.5%, lower by 2.3pps compared to the Oct draft, reflecting mainly the impact of the 2<sup>nd</sup> lockdown. In 2021, GDP growth is expected to recover by 4.8%. All domestic demand components, except public consumption, are expected to contribute to this. Net services exports are expected to contribute positively to GDP by 3.7pps, while net goods exports are expected to decrease by 2.9% of GDP. The primary deficit in enhanced surveillance terms is expected to reach 7.2% of GDP in 2020 and drop to 3.9% in 2021.

### CESEE

**SERBIA:** The EUR/RSD showed little change on a weekly basis, trading mostly around the 117.55-117.58 area with moderate presence of the Central Bank (NBS). In the fixed income secondary market, all tenors experienced slight yield drops ranging from 3 to 10 bps. The yields of the 1Y and 5Y tenors fell slightly by 3-5bps, whereas the long-end of the curve (12Y tenor) declined more, by 5-10 bps. The government organized a global investors' call on last Friday in order to reintroduce the 10Y benchmark USD denominated bond (part of the previously agreed GMTN program). The proceeds will be used to repay the concurrent tender of the USD2bn 7.25% notes due in 2021, while the remaining will be transferred into the budget. Finally, the gross FX reserves of NBS stood at EUR13.1bn in October up by EUR19.8mn compared to September.

### Contributing Authors

**Paraskevi Petropoulou**  
Senior Economist  
[ppetropoulou@eurobank.gr](mailto:ppetropoulou@eurobank.gr)

**Anna Dimitriadou**  
Economic Analyst  
[andimitriadou@eurobank.gr](mailto:andimitriadou@eurobank.gr)

**Ioannis Gkionis**  
Senior Economist  
[igkionis@eurobank.gr](mailto:igkionis@eurobank.gr)

We would like to thank Djordje Lucic from Eurobank Beograd for his valuable contribution in today's issue.

## Research Team



**Dr. Tasos Anastasatos** | Group Chief Economist  
tanastasatos@eurobank.gr | + 30 214 40 59 706



**Anna Dimitriadou**  
Economic Analyst  
andimitriadou@eurobank.gr  
+ 30 210 37 18 793



**Ioannis Gkionis**  
Senior Economist  
igkionis@eurobank.gr  
+ 30 214 40 59 707



**Dr. Stylianos Gogos**  
Economic Analyst  
sgogos@eurobank.gr  
+ 30 210 37 18 733



**Maria Kasola**  
Economic Analyst  
mkasola@eurobank.gr  
+ 30 210 33 18 708



**Olga Kosma**  
Research Economist  
okosma@eurobank.gr  
+ 30 210 37 18 728



**Paraskevi Petropoulou**  
Senior Economist  
ppetropoulou@eurobank.gr  
+ 30 210 37 18 991



**Dr. Theodoros Rapanos**  
Economic Analyst  
v-trapanos@eurobank.gr  
+ 30 214 40 59 711



**Dr. Theodoros Stamatou**  
Senior Economist  
tstamatou@eurobank.gr  
+ 30 214 40 59 708



**Elia Tsiampaou**  
Economic Analyst  
etsiampaou@eurobank.gr  
+ 30 214 40 59 712

Περισσότερες εκδόσεις μας διαθέσιμες στην ηλεκτρονική διεύθυνση που ακολουθεί: <https://www.eurobank.gr/en/group/economic-research>  
Εγγραφείτε ηλεκτρονικά, σε: <https://www.eurobank.gr/el/omilos/oikonomikes-analuseis/forma-ekdilosis-endiaferontos>  
Ακολουθήστε μας στο twitter: [https://twitter.com/Eurobank\\_Group](https://twitter.com/Eurobank_Group)  
Ακολουθήστε μας στο LinkedIn: <https://www.linkedin.com/company/eurobank>

### DISCLAIMER

This report has been issued by Eurobank S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees. Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

