

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

August 24, 2020

Global Markets

Global equity markets opened the week on a firm tone following the FDA's announcement of a so-called "emergency use authorization" last night that US regulators authorized the use of blood plasma from recovered Covid-2019 patients as a treatment option for hospitalized patients. In FX markets, the EUR/USD consolidated around levels of 1.1800, after losing 0.5% on Friday on the back of the disappointing euro area PMI composite release, which fell more than expected (-3.3 pts) to 51.6 in August. Focus centres on Fed Chair Powell's speech on the topic of the monetary policy review at the opening day of the Kansas City Fed's annual symposium on Thursday. The German Ifo's business climate indicator and the US Conference Board's consumer confidence for August are also expected to lure market attention on Tuesday.

Greece

According to the Bank of Greece, in June 2020, travel receipts declined by 97.5%YoY with receipts from residents of EU27 countries falling by 97.8%YoY to €31mn and receipts from outside the EU27 decreasing by 97.0%YoY to €33mn. Notably, among the major countries of origin, the only receipts recorded were from Germany and France and were lower by 98.0% and 99.4%YoY respectively. For the period Jan-Jun 2020, travel receipts reached €678mn, down by 87.5% relative to the respective period of 2019. It is worth reminding that Greece's airports to international flights re-opened after the lockdown on June 15th. Meanwhile, daily confirmed Covid-19 cases have been on average 237 in the past week, with the number posting a new record of 284 yesterday. The government is examining imposing further restrictive measures in the most heavily affected areas.

CESEE

Serbia: The EUR/RSD pair has traded in a trendless pattern between 117.53/58 and 117.58/63 during the past week. Considering that coronavirus pandemic is not yet over, the EUR/RSD is very likely to continue hovering around recent levels amid very low volumes. According to the Central Bank (NBS), fewer debtors have accepted the second moratorium on loan repayments compared to the first one. The new moratorium offer has been accepted by 69% of legal entities and 82% of individuals with loan debts, compared to 84% and 91%, respectively, in the first moratorium. The NBS pointed out that the new moratorium has been accepted by nearly 2.3 mn debtors, which proves that the measure was timely and justified. Finally, once the moratorium ends, banks have to create a new repayment plan, extended for the moratorium period.

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