

# GLOBAL & REGIONAL DAILY

## HIGHLIGHTS

September 24, 2020

### Global Markets

The September flash PMIs for a number of developed economies came in weaker than expected, pointing to a loss of momentum in economic recovery at the end of Q3 following the resurgence in Covid-19 infections. The September drop was entirely driven by a deterioration in services following the re-imposition of virus-related social restrictions, while manufacturing improved, probably supported by increased global demand. In the US, the flash PMI Composite Output Index fell to 54.4 from 54.6 in August, while the respective figure for the Euro area and the UK dropped by 1.8pts and 3.4pts, respectively, to 50.1 and 55.7. Poor flash PMIs and fading hopes for further US fiscal stimulus dented risk sentiment, while the USD remained supported, favored by continuing evidence of rising virus cases across the US, the Euro area and the UK.

### Greece

According to the 7<sup>th</sup> Enhanced Surveillance review for Greece that was released yesterday by the European Commission, economic activity in 2020 is expected to decrease by -9%, and partially bounce back by 6% in 2021, while the macroeconomic forecast will be updated in autumn. On reforms, the review finds that Greece has made significant progress in a number of major reforms over the past few months, most notably the finalisation of the legislative proposal to overhaul the insolvency legislation, but also in investment processing, energy and public administration. On the other hand, progress has stalled in a number of other areas, notably arrears clearance, public revenue administration, health care, the cadastre project and the privatisation agenda.

### CESEE

**Serbia:** The Minister of Finance, Sinisa Mali, stated yesterday in the local press that the current GDP growth projection lies between -1% and 0% in 2020 with the latest economic data pointing closer to zero. The aforementioned statement coincided with the last bonds auction scheduled for Q3-2020. In brief, the Ministry of Finance aimed to raise yesterday EUR45.6mn in 5-y Eurobonds but due to the fact that investors placed only EUR5.2mn bids, the placement was capped at the symbolic amount of EUR0.2mn. The notes bear a 1.0% coupon and were sold at an equal yield on average. The next auction is scheduled for October 1, when 12-y dinar bonds will be offered. Throughout Q4-2020, the scheduled offers pertain to RSD36.9bn in RSD-denominated bonds and EUR50mn in EUR-denominated securities.

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**GLOBAL MARKETS**
**Stock markets**

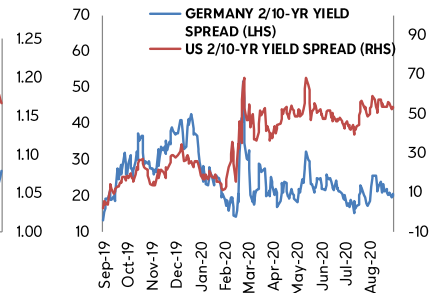
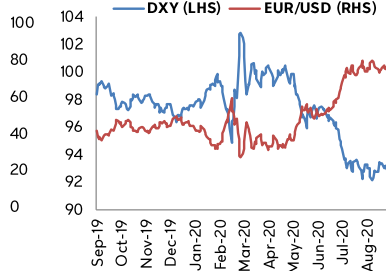
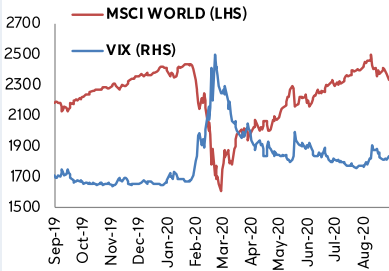
	Last	ΔD	ΔYTD
S&P 500	3236.92	-2.37%	0.2%
Nikkei 225	23087.82	-1.1%	-2.4%
STOXX 600	359.53	0.6%	-13.5%

**FOREX**

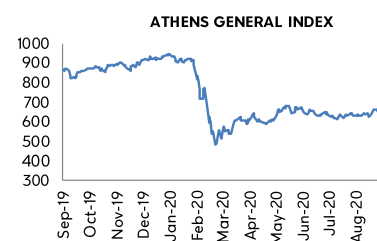
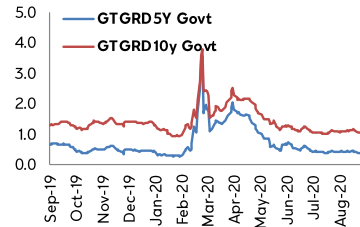
	Last	ΔD	ΔYTD
EUR/USD	1.165	-0.1%	3.9%
GBP/USD	1.2693	-0.2%	-4.2%
USD/JPY	105.31	0.1%	3.1%

**Government Bonds**

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.66	-1	-125
Bund-10yr	-0.52	-2	-34
JGB - 10yr	0.01	0	2


**GREECE**
**Government Bonds**

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.39	0	-10
10Y Bond	1.01	0	-42
Δ(10YBund-10YGGB)	1.53	0	-9


**EMERGING MARKETS**
**Stock markets**

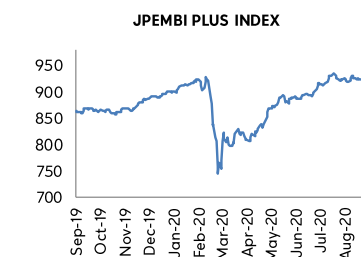
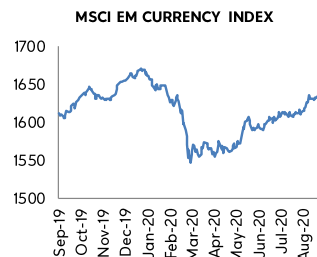
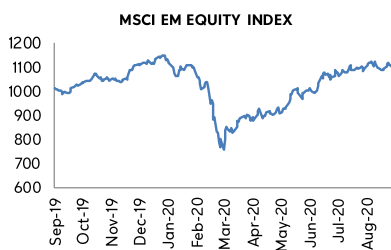
	Last	ΔD	ΔYTD
SOFIX	425.11	0.4%	-25.2%
BELEX	688.57	-0.6%	-1411.0%
XU100	1102.65	0.6%	-363.6%

**FOREX**

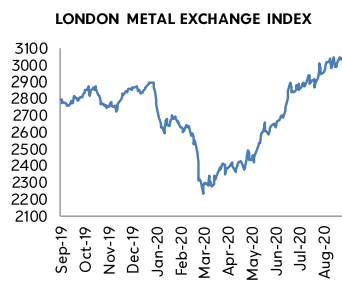
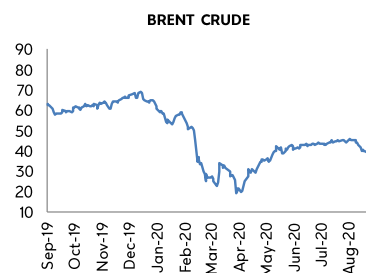
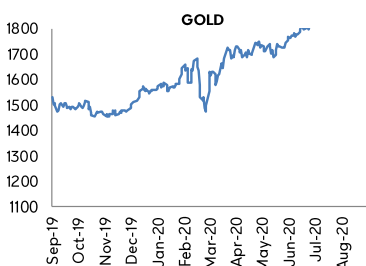
	Last	ΔD	ΔYTD
EUR/PLN	4.53	-0.3%	-6.1%
EUR/RSD	117.605	0.0%	0.1%
USD/TRY	7.7118	-0.1%	-22.8%

**Government Bonds**

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	7.02	-7	89
BG 8Y yield	Invalid Security		
PL 10Y yield	1.36		


**COMMODITIES**

	Last	ΔD	ΔYTD
GOLD	1851	-0.6%	22.0%
BRENT CRUDE	42	-0.6%	-37.1%
LMEX	2954	-2.2%	3.9%



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