

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

June 25, 2020

Germany's IFO business climate index rose by 6.5pt in June, the largest monthly increase ever, coming in at 86.2, and France's Composite business climate measure improved by a higher-than-expected 18pt to 78, both returning to pro-pandemic levels. In spite of improving business and consumer sentiment across developed economies, the IMF revised downwards its global GDP growth forecast for 2020 in its updated World Economic Outlook to -4.9% (from -3.0%), citing persistent social distancing, damage on the supply potential and virus containment challenges for some countries. Meanwhile, risk-off mode prevailed in early trade today, core bonds were well-supported on both sides of the Atlantic and the USD firmed, following the IMF's downwards revised forecast, increasing number of new cases and fresh US/EU trade frictions.

Greece

The Greek Finance Minister Christos Staikouras estimated that GDP contraction could reach 15%-16% in Q2-2020, an estimate that has been incorporated into the government's forecast for recession of up to 8% for the year. He added that the cash buffer amounts to €37.5 billion against €36.5 billion at the beginning of the COVID-19 crisis, and is sufficient to deal with a potential second wave of pandemic. Meanwhile, Greece was planning to open its airports to a number of third countries as of 1st July, but the prospect of a delay in allowing visitors from third countries into the EU poses an additional risk to Greek tourism. At the same time, the pandemic in Greece remains contained with only 8 new cases having been recorded yesterday and the total number standing at 3,310.

CESEE

Bulgaria: The government announced yesterday its decision to extend the state of epidemic emergency due to Covid-19 until July 15. Bulgaria has been recording an average of 84 new daily cases since June 10, which is substantially higher compared to the figures reported two weeks earlier. *Serbia:* The NBS stated yesterday that the talks that initiated with the IMF mission revolve around fiscal, monetary and macroeconomic developments. The talks, led by the head of the IMF's Serbia team Jan Kees Martijn and the NBS Governor Jorgovanka Tabakovic, are part of the fourth semi-annual review of the implementation of the country's economic programme supported by the Policy Coordination Instrument (PCI) and will last until July 3.

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GLOBAL MARKETS

Stock markets

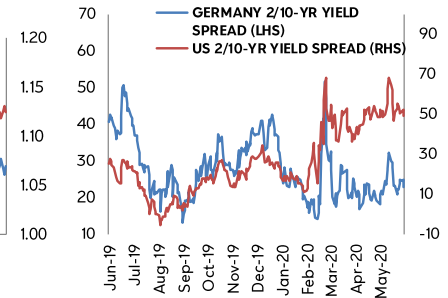
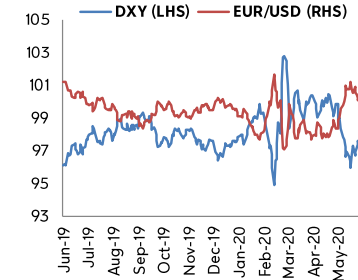
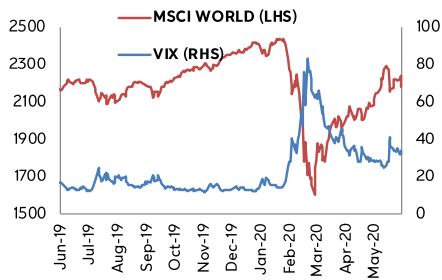
	Last	ΔD	ΔYTD
S&P 500	3050.33	-2.59%	-5.6%
Nikkei 225	22259.79	-1.2%	-5.9%
STOXX 600	357.17	-2.8%	-14.1%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.124	-0.1%	0.2%
GBP/USD	1.2407	-0.1%	-6.4%
USD/JPY	107.16	-0.1%	1.4%

Government Bonds

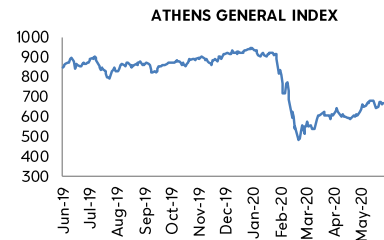
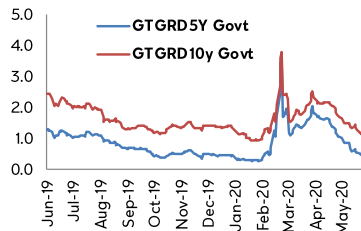
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.67	-1	-125
Bund-10yr	-0.45	-1	-26
JGB - 10yr	0.01	0	3



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.67	-2	18
10Y Bond	1.25	-1	-18
Δ(10YBund-10YGG)	1.70	0	8



EMERGING MARKETS

Stock markets

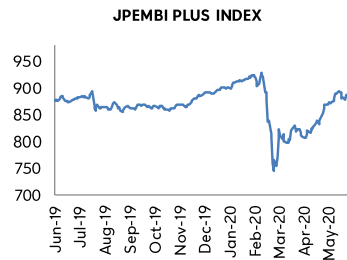
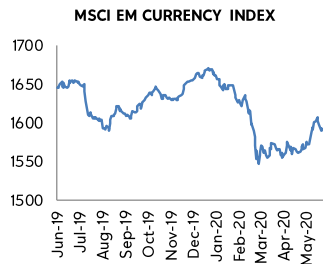
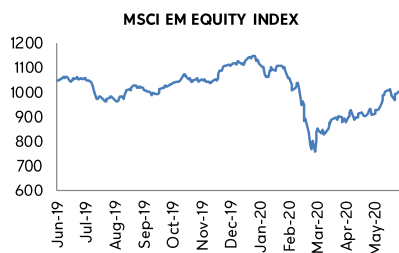
	Last	ΔD	ΔYTD
SOFIX	455.24	0.0%	-19.9%
BELEX	667.46	-0.5%	-1674.3%
XU100	114448.90	-0.8%	2.1%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.4611	-0.1%	-4.6%
EUR/RSD	117.667	0.0%	0.1%
USD/TRY	6.8582	0.0%	-13.2%

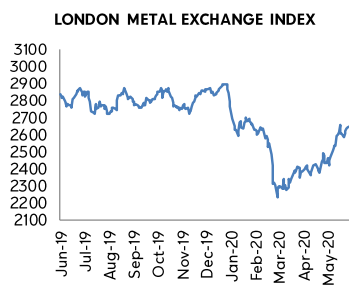
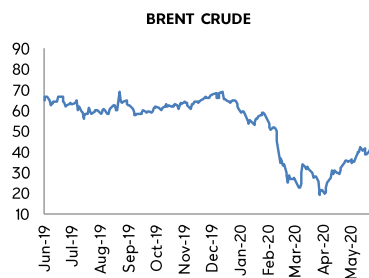
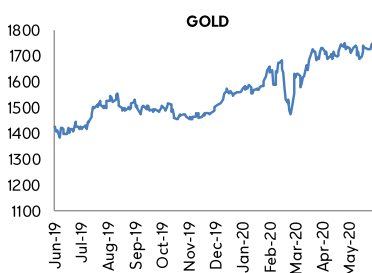
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.65	-7	52
BG 8Y yield	Invalid Security		
PL 10Y yield	1.38		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1763	0.1%	16.2%
BRENT CRUDE	40	-0.9%	-39.5%
LMEX	2625	-0.7%	-7.7%



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