

# GLOBAL & REGIONAL DAILY

## HIGHLIGHTS

May 26, 2020

### Global Markets

Global equity markets opened in a positive tone earlier today amid growing optimism about a gradual global recovery, as economies around the globe continue to gradually relax lockdown measures. Germany reportedly intends to end a travel warning for tourist trips to 31 European countries from 15 June, while UK Prime Minister Boris Johnson announced that the country seems to be in a position to move to phase two of COVID-19 restrictions from 1 June. Expectations for more policy stimulus from major central banks also favored. Bank of France Governor Francois Villeroy de Galhau said y-day that, with inflation low, the ECB has room to act “rapidly and powerfully” and left the door open for an increase of the PEPP. In FX markets, hurt by pandemic recovery hopes, the USD weakened, allowing the EUR/USD to revisit levels above 1.09.

### Greece

According to press, provided that the health and fiscal conditions allow it, in 2021 the government plans to further reduce the ENFIA property tax, the special solidarity levy and social security contributions. Meanwhile, addressing a Parliamentary Committee, the Governor of the BoG Yiannis Stournaras, advocated the utilisation of a ‘bad bank’ as well as other tools along the existing Hercules plan, in order to tackle the high NPLs stock. He also argued in favour of the use of the ESM Pandemic Crisis Support funds because they carry a very low interest rate and does not constitute an Economic Adjustment Programme. He also reiterated that the BoG baseline scenario foresees GDP contraction of 6% in 2020 and a rebound of 5.5% in 2021, stressing, however, the high uncertainty surrounding the forecast.

### CESEE

Cyprus: The Minister of Transport, Communications and Works, Mr. Yiannis Karousos, announced that authorities will reopen airports for flights with 19 countries in a two-phase plan on June 9, while hotels will open earlier, on June 1. Retail sales in volume terms contracted by -1.4% YoY in March, in the first month of lock-down. Serbia: The EUR/RSD held steady around 117.60 during the past week, remaining bound within a tight range of 117.52/62-117.58/68 amid low trading volumes. The NBS sold on Friday €30mn in order to halt the currency depreciation. On the money-market side, at Friday’s EUR/RSD swap auctions with a term of two weeks, the NBS sold €34mn at the euro liquidity supply auction at fixed swap points of 274 (interest differential 0.6%). At the dinar liquidity supply auction no banks participated.

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

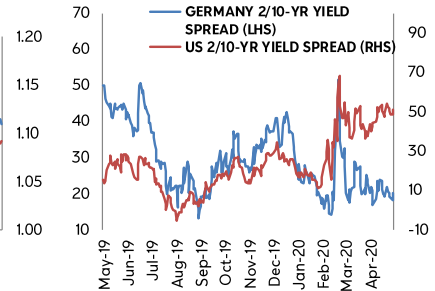
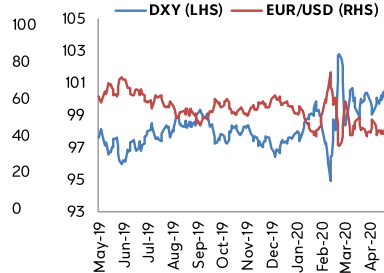
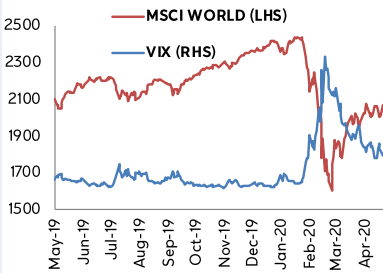
	Last	ΔD	ΔYTD
S&P 500	2955.45	0.24%	-8.5%
Nikkei 225	21271.17	2.6%	-10.1%
STOXX 600	345.18	1.5%	-17.0%

**FOREX**

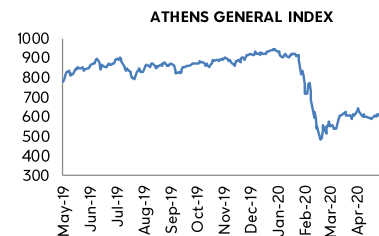
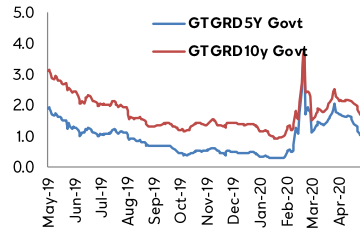
	Last	ΔD	ΔYTD
EUR/USD	1.0923	0.2%	-2.6%
GBP/USD	1.2239	0.4%	-7.7%
USD/JPY	107.85	-0.1%	0.7%

**Government Bonds**

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.70	4	-122
Bund-10yr	-0.45	4	-27
JGB - 10yr	0.00	0	2


**GREECE**
**Government Bonds**

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	1.02	0	53
10Y Bond	1.66	0	23
Δ(10YBund-10YGGB)	2.11	0	49


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

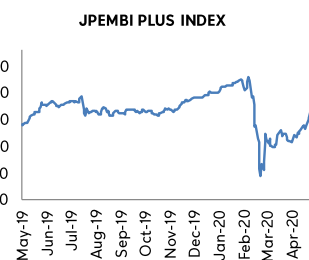
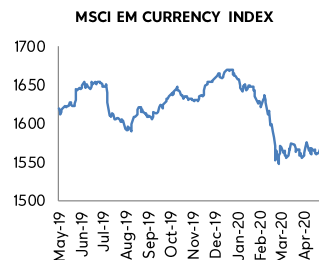
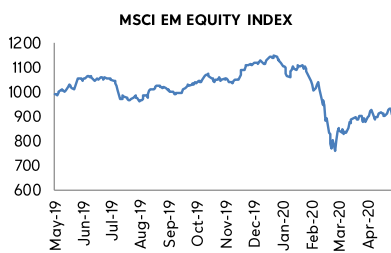
	Last	ΔD	ΔYTD
SOFIX	450.22	0.1%	-20.8%
BELEX	668.97	-0.1%	-1655.5%
XU100	103024.30	0.4%	-996.3%

**FOREX**

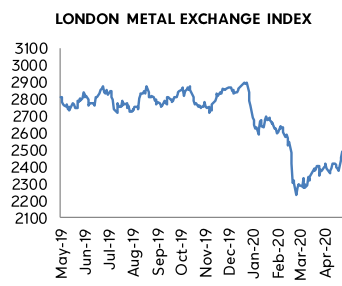
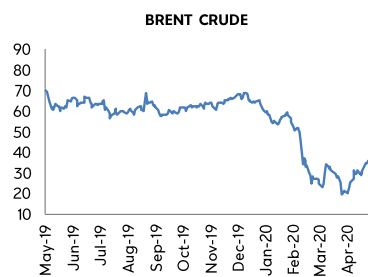
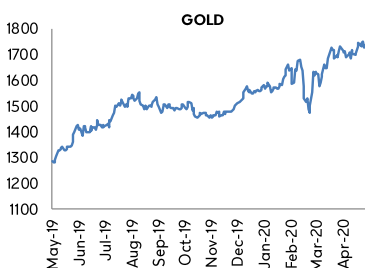
	Last	ΔD	ΔYTD
EUR/PLN	4.4924	0.2%	-5.3%
EUR/RSD	117.607	0.0%	0.1%
USD/TRY	6.7987	0.2%	-12.5%

**Government Bonds**

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	7.10	8	96
BG 8Y yield	Invalid Security		
PL 10Y yield	1.41		


**COMMODITIES**

	Last	ΔD	ΔYTD
GOLD	1731	-0.1%	14.1%
BRENT CRUDE	36	2.1%	-45.0%
LMEX	2433	-1.6%	-14.4%



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