

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

August 26, 2020

Global Markets

The US CB consumer confidence index disappointed, dropping at a six-year low of 84.8 in August amid concerns about a flare-up in new Covid-19 infections and waning government income support. However, the US housing market continues to show strong immunity to the pandemic thanks to historically low interest rates, with new home sales rising to a 13-yr high annual rate of 901,000 units (saar) in July. Positive data were also released y-day from Germany, where the IFO business climate index rose to a higher-than-expected 92.6, supporting optimism for a strong recovery after an unprecedented 9.7%QoQ GDP growth contraction in Q2. Meanwhile, USTs and German Bunds remained under pressure, and the EUR/USD continued to consolidate slightly above 1.18, ahead of the Fed Chair Jerome Powell's speech on Thursday.

Greece

According to press, the privatisations programme, which had decelerated in the past months due to Covid-19, is expected to gain steam in September particularly in the energy sector. The Data Room for DEPA Infrastructure has reportedly opened while that for DEPA Commercial is expected to open soon. At the same time, the deadline for the Expressions of Interest for the concession of the Underground Natural Gas Storage facility in South Kavala expires on 30 Sep. On the pandemic front, yesterday and the day before, daily new infections stood at 168 and 170 respectively, lower than the average 237 daily cases of the past week. The decline could indicate that the restrictive measures that were adopted two weeks ago, have begun to work. Meanwhile, the British government will decide today whether travelers returning from Greece will remain out of quarantine, as has been the case so far.

CESEE

Cyprus: The impact of the Covid-19 pandemic on the tourism industry has been detrimental so far. Tourism revenues collapsed to €6.7mn in June compared to €350.4mn in the corresponding month of the previous year, declining by 98.1% YoY. In 1H-2020, tourism revenues came in at €122.0mn compared to €1,003.2mn in the corresponding period of 2019, down by 87.8%. Retail sales in volume terms decreased by -2.6% YoY in June compared to -4.7% YoY in May, up from -28.9% YoY in April and -0.3% YoY in March, bringing the year-to-June performance at -3.6% YoY. The monthly improvement (6.8% MoM in June vs 33.7% MoM in May) reflects the further easing of the containment measures against the Covid-19 pandemic.

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