

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

March 27, 2020

Global Markets

The leaders of G20 pledged on Thursday to inject over \$5trn in the global economy and “do whatever it takes to overcome the pandemic”. In reaction, equity markets opened higher today as hopes for additional policy stimulus more than offset yesterday’s US data showing a surge of 3.00mn in initial jobless claims last week to a new seasonally adjusted record high of 3.28mn. In FX, the USD seems on track for its biggest weekly fall in a decade, assisting the EUR/USD to regain the 1.10 threshold. Turning to fixed income markets, euro area government bonds were well supported following news that the ECB will not apply the ISIN and issuer limit on the Pandemic Emergency Purchase Programme (PEPP). Meanwhile, at its meeting yesterday, the EU Council failed to reach an agreement on a political response to the COVID-19 outbreak.

Greece

According to the European Banking Authority (EBA), there should be “flexibility and pragmatism in the application of the prudential framework and, in case of debt moratoria, there is no automatic classification in default, forborne, or IFRS9 status”. The EBA’s decision gives more flexibility in order for Greek banks to postpone for 3 to 6 months principle payments for performing loans of companies and households. Meanwhile, EU leaders failed to reach an agreement yesterday on the strategy to combat the economic impact of COVID-19 with a number of countries, including Germany and the Netherlands, resisting the potential issuance of a ‘corona-bond’, which Greece stands in favour of along with nine other countries including France, Italy and Spain.

CESEE

According to the latest economic forecast by the Vienna Institute for International Economic Studies (WIIW), released a few days ago, CESEE countries are set for their worst year since the global financial crisis in 2008 due to the Covid19 pandemic. Countries with higher levels of trade integration with Italy (especially Bulgaria, Croatia and Romania) will be more affected while countries more reliant on tourism, like Croatia, Slovenia and Montenegro will also be affected. Based on WIIW’s forecasts, under the pre-Covid19 baseline scenario, real GDP growth would rise to 2.9% in 2020 vs 2.1% in 2019. In the ‘severe’ scenario, GDP growth will not exceed 1.1% with most countries in the region experiencing at least a technical recession.

Contributing Authors

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Maria Kasola
Economic Analyst
mkasola@eurobank.gr

GLOBAL MARKETS
Stock markets

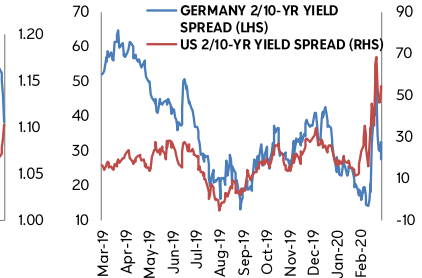
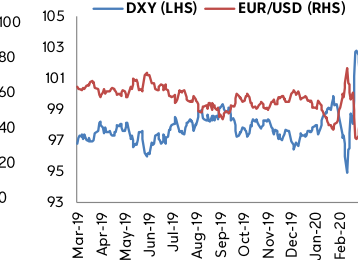
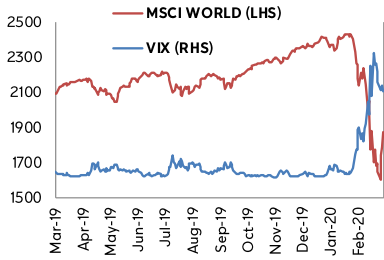
	Last	ΔD	ΔYTD
S&P 500	2630.07	6.24%	-18.6%
Nikkei 225	19389.43	3.9%	-18.0%
STOXX 600	315.34	-1.9%	-24.2%

FOREX

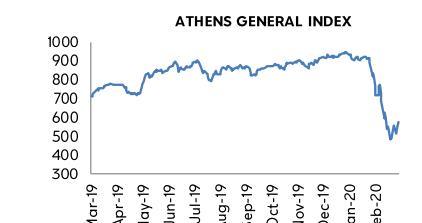
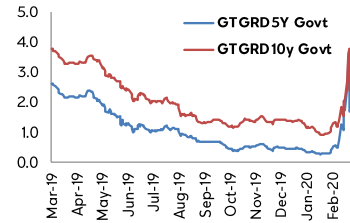
	Last	ΔD	ΔYTD
EUR/USD	1.1029	0.0%	-1.6%
GBP/USD	1.2178	-0.2%	-8.1%
USD/JPY	108.8	0.7%	-0.2%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.78	-6	-113
Bund-10yr	-0.43	-7	-24
JGB - 10yr	0.02	2	3


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	1.15	-3	66
10Y Bond	1.56	0	13
Δ(10YBund-10YGGB)	1.99	0	37


EMERGING MARKETS
Stock markets

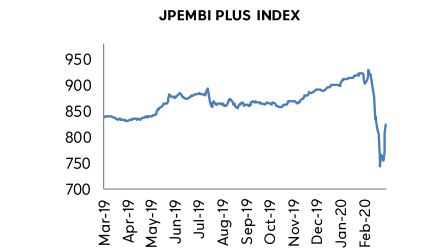
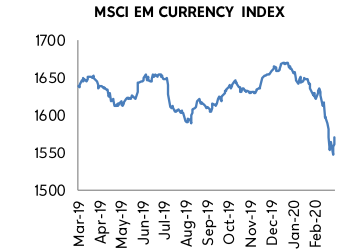
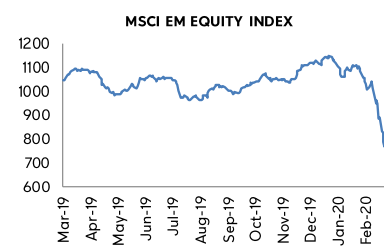
	Last	ΔD	ΔYTD
SOFIX	423.07	0.0%	-25.5%
BELEX	638.63	1.4%	-2034.0%
XUI100	92014.29	0.5%	-1958.6%

FOREX

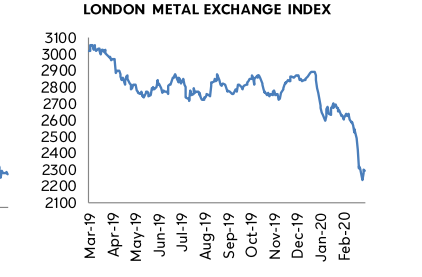
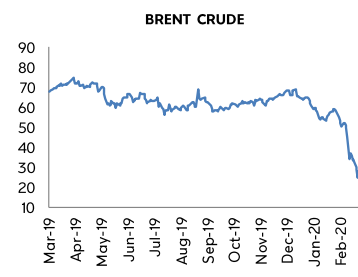
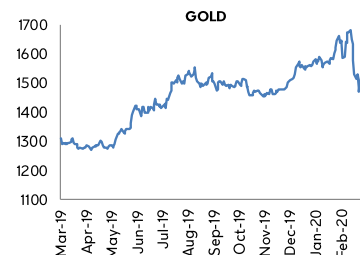
	Last	ΔD	ΔYTD
EUR/PLN	4.524	0.1%	-6.0%
EUR/RSD	117.498	0.0%	0.2%
USD/TRY	6.4431	-0.7%	-7.6%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	7.81	-8	168
BG 8Y yield	Invalid Security		
PL 10Y yield	1.76		


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1622	-0.6%	6.9%
BRENT CRUDE	26	-0.9%	-60.5%
LMEX	2288	-0.4%	-19.5%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 10:22 EEST

Research Team



Dr. Tasos Anastasatos | Group Chief Economist
tanastasatos@eurobank.gr | + 30 214 40 59 706



Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr
+ 30 210 37 18 793



Ioannis Gkionis
Senior Economist
igkionis@eurobank.gr
+ 30 214 40 59 707



Dr. Stylianos Gogos
Economic Analyst
sgogos@eurobank.gr
+ 30 210 37 18 733



Maria Kasola
Economic Analyst
mkasola@eurobank.gr
+ 30 210 33 18 708



Olga Kosma
Research Economist
okosma@eurobank.gr
+ 30 210 37 18 728



Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr
+ 30 210 37 18 991



Dr. Theodoros Stamatou
Senior Economist
tstamatou@eurobank.gr
+ 30 214 40 59 708



Elia Tsiampaou
Economic Analyst
etsiampaou@eurobank.gr
+ 30 214 40 59 712

More research available at: <https://www.eurobank.gr/en/group/economic-research>
Subscribe electronically at: <https://www.eurobank.gr/el/omilos/oikonomikes-analiseis..>
Follow us on twitter: https://twitter.com/Eurobank_Group
Follow us on LinkedIn: <https://www.linkedin.com/company/eurobank>

DISCLAIMER

This report has been issued by Eurobank S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees. Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

