

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

April 27, 2020

Global Markets

Global equity markets kicked off the week on a positive tone following the BoJ's decision for additional stimulus to help cushion the economic impact of the COVID-19 pandemic. News that a number of countries take cautious steps to lift lockdowns, also favored. Meanwhile, UST and German Bunds remained well supported ahead of this week's Q1 GDP figures from both the US (Wednesday) and the Eurozone (Thursday), which are expected to provide some clues about the magnitude of the economic hit in the early stages of the COVID-19 outbreak. In the EMU periphery, Italy's sovereign bonds outperformed, after S&P affirmed on Friday the country's sovereign rating at BBB, with negative outlook. No additional policy initiatives are expected to be announced this week either from the Fed (Wednesday) or the ECB (Thursday).

Greece

On Friday, S&P affirmed its 'BB-/B' long- and short-term sovereign credit rating but revised its outlook on the long-term sovereign credit rating to stable from positive. The revision of the outlook rating reflects the agency's view that Greece's substantial fiscal policy buffers offset risks to its creditworthiness emanating from COVID-19's economic and budgetary implications. S&P also expects a GDP contraction of 9% in 2020, followed by a rebound in 2021. Meanwhile, a Guarantee Fund is expected to be activated in May for the provision of up to €7bn of working capital loans by the end of 2020 with a guarantee from the Greek State. Finally, the gradual relaxation of the quarantine is scheduled to begin on May 4th, with the opening of some retail shops while larger venues will likely reopen in mid-May.

CESEE

Serbia: Despite increased demand for hard currency, moves in EUR/RSD are rather negligible. This is mainly due to heavy Central Bank interventions through FX reserves to halt any excessive move. The Public Debt Agency added 53W T-bill issuance to the Q2 schedule to finance the budget spending expansion due to the negative effects of the Covid-19 pandemic. In the first auction held on April 21st, an amount of RSD29.4bln was raised at a yield of 1.80% against RSD35bln tendered. A reopening of the RSD5.6bn unsold bonds is scheduled for April 29th. The Public Debt Agency will also issue a regular 2Y EUR denominated T-bond on April 28th. According to the latest data from the official government site, the number of infected persons in Serbia climbed to 7276, while the death toll has reached 139.

Contributing Authors

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Ioannis Gkionis
Senior Economist
igkionis@eurobank.gr

We would like to thank Djordje Lucic from Eurobank Beograd for his valuable contribution in today's issue.

GLOBAL MARKETS

Stock markets

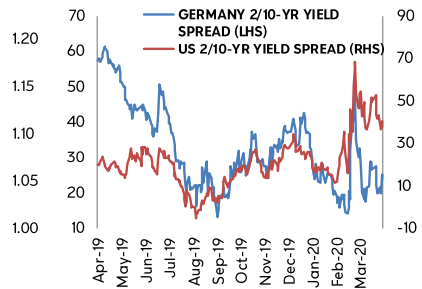
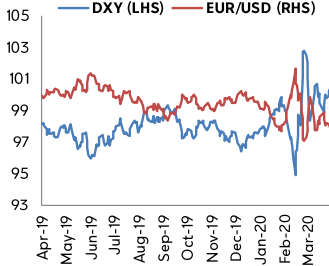
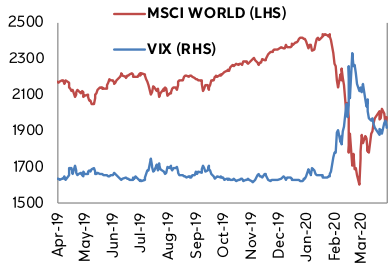
	Last	ΔD	ΔYTD
S&P 500	2836.74	1.39%	-12.2%
Nikkei 225	19783.22	2.7%	-16.4%
STOXX 600	329.59	-1.1%	-20.7%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.0854	0.3%	-3.2%
GBP/USD	1.2443	0.6%	-6.1%
USD/JPY	107.1	0.4%	1.4%

Government Bonds

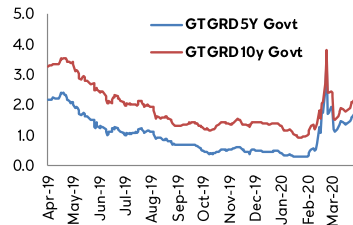
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.61	1	-131
Bund-10yr	-0.47	0	-29
JGB - 10yr	-0.02	-1	-1



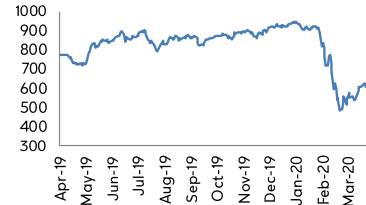
GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	1.72	-8	123
10Y Bond	2.18	-11	75
Δ(10YBund-10YGGGB)	2.65	0	104



ATHENS GENERAL INDEX



EMERGING MARKETS

Stock markets

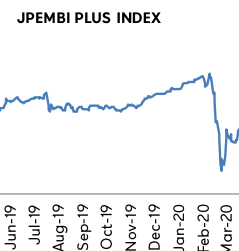
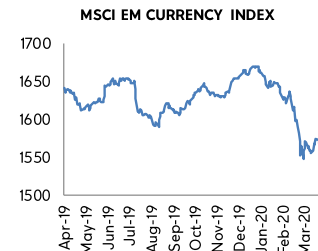
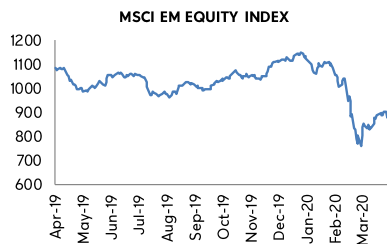
	Last	ΔD	ΔYTD
SOFIX	448.61	1.4%	-21.0%
BELEX	676.38	-0.5%	-1563.1%
XU100	98758.96	0.6%	-1369.1%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.5223	0.2%	-5.9%
EUR/RSD	117.627	0.0%	0.1%
USD/TRY	6.9613	0.2%	-14.5%

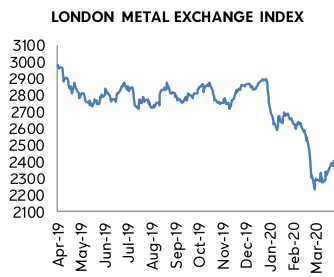
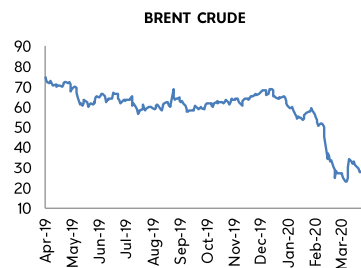
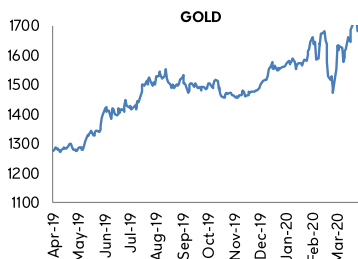
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	8.19	-7	206
BG 8Y yield	Invalid Security		
PL 10Y yield	1.35		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1720	-0.6%	13.4%
BRENT CRUDE	21	-3.7%	-68.7%
LMEX	2380	-0.2%	-16.3%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 09:45 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

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