

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

May 27, 2020

Global Markets

Tensions in Hong Kong are rising with protesters preparing the biggest demonstration in months, while US President Donald Trump warned anew that he is considering to take action against China over its effort to impose national security laws in the city. In reaction, Asian bourses ended lower earlier today, but European equity markets retained a positive tone in early trade, supported by optimism about a re-opening of the world economy and ECB Chief Economist Philip Lane's comments about ECB flexibility to deviate from capital key quotas under the PEPP. In FX markets, the USD gained some ground, with the DXY index standing close to 99.179 at the time of writing, 0.3% higher from yesterday's early-May lows. Focus today is on the EC's proposal for an EU Recovery Package that involves a revised EU budget (MFF) for 2021-2027.

Greece

Greek tourism is re-opening on June 15th to c. 20-30 countries with epidemiological characteristics similar to those of Greece. Among these countries are Germany, Israel, Austria and some Balkan countries. The opening to most remaining countries (incl. most likely France, Italy and Spain) will take place on July 1st. As regards the UK, USA and Russia, which cumulatively account for more than 20% of total travel receipts by non-residents, a decision will be made at a later stage. Meanwhile, the European Commission will unveil today the official proposal for the Recovery Fund. Greece views this instrument positively, while for the time being it does not intend to utilise ESM funds. On the pandemic front, yesterday 10 new cases were recorded, bringing the total to 2,892 cases.

CESEE

Serbia: The World Bank announced yesterday that it will grant the government a new USD100mn loan, which aims at assisting the country to prevent, detect and respond to the COVID -19 pandemic. Two walk-in and up to ten drive-through testing points for COVID-19 will be established in Serbia and the country's testing capacity will be increased from 7,000 to at least 9,000 tests a day. The walk-in testing points will be set up at the two main airports – Belgrade and Nis - while up to ten drive-through testing points will be placed at border crossings. Under this project, known as the Serbia Emergency COVID-19 Response Project, Serbia is expected to strengthen its surveillance system and epidemiological capacity for early detection and confirmation of cases.

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GLOBAL MARKETS

Stock markets

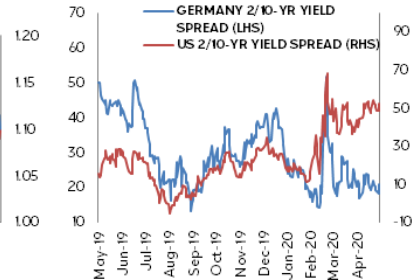
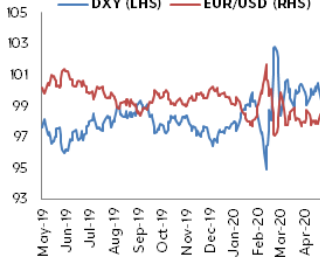
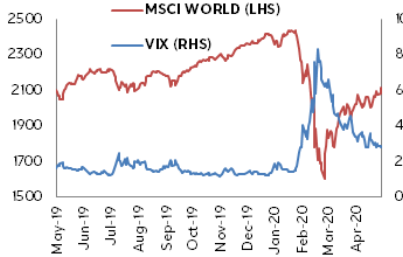
	Last	ΔD	ΔYTD
S&P 500	2991.77	1.23%	-7.4%
Nikkei 225	21419.23	0.7%	-9.5%
STOXX 600	349.70	0.2%	-15.9%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.0956	-0.2%	-2.3%
GBP/USD	1.2294	-0.3%	-7.3%
USD/JPY	107.51	0.0%	1.0%

Government Bonds

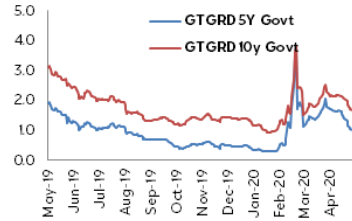
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.68	-2	-124
Bund-10yr	-0.45	-2	-26
JGB - 10yr	0.00	-1	1



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	1.00	-2	51
10Y Bond	1.64	0	21
Δ(10YBund-10YGGB)	2.09	0	47



EMERGING MARKETS

Stock markets

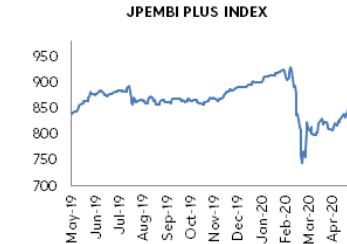
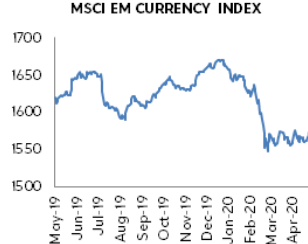
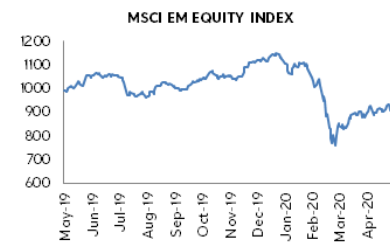
	Last	ΔD	ΔYTD
SOFIX	451.74	0.0%	-20.5%
BELEX	669.21	0.0%	-1652.5%
XUI100	104544.30	1.5%	-863.5%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.4318	0.2%	-4.0%
EUR/RSD	117.6	0.0%	0.1%
USD/TRY	6.7748	-0.7%	-12.2%

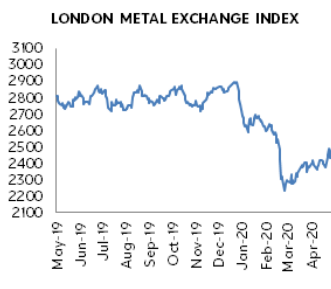
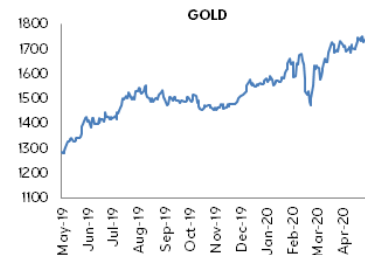
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	7.06	-5	93
BG 8Y yield	Invalid Security		
PL 10Y yield	1.40		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1708	-0.1%	12.6%
BRENT CRUDE	36	-1.9%	-46.2%
LMEX	2458	1.0%	-13.5%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 10:30 EEST

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