

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

January 28, 2020

Global Markets

Investors retain a cautious stance against risk assets on the back of increased concerns about the potential economic impact of the coronavirus outbreak on the Chinese and, thus, the global economy. The virus has spread to all but one of China's 31 provinces and has been detected in around 10 other countries, while the death toll from the virus in China has increased to 106. Concerns about the risk of contagion continued to favor USTs and German Bunds, while the unexpected drop in the German January's Ifo Business Climate Index, also helped. Along these lines, favored by their safe-haven role, both the JPY and the CHF remained firmed, with the USD/JPY continuing to hover below 109.00 and the EUR/CHF testing levels below 1.07 for the first time in around two years.

Greece

Greece tapped the markets anew today with the issuance of a 15-year GGB in order to raise €2-2.5 billion at <2% yield. The timing for the issuance is considered positive following Fitch's upgrade from 'BB-' to 'BB', outlook positive. The 10-YR benchmark bid yield trades at 1.191% at the time of writing, close to its all-time low of 1.174% (31 Oct-19). Meanwhile, a regulation was tabled to Parliament yesterday, allowing for the commencement of demolitions and other preliminary construction works on the site of Hellinikon, before the financial closing of the concession. The concessionaire will fund the said construction works, which are expected to begin in March.

CESEE

Bulgaria: The main stock-market index SOFIX gained 0.47% during the past week marked by low weekly volume of €0.7mn. External bonds continued to register little to no change with yields dropping within 1-2 bps across the board. Local currency denominated bonds also remained unchanged, with the exception of the 10-year tenor, which saw a yield drop of 5 bps. **Serbia:** Instead of making daily announcements, NBS will focus on making public the total amount of interventions on a monthly basis by issuing a regular monthly FX reserves report. Meanwhile, JP Morgan is in the process of reassessing the inclusion of government bonds into its JP Gov. Bond emerging market index (GBI-EM). The final decision will be made sometime between April and June and if positive, it will considerably broaden the investor base and bring much needed liquidity to the local market.

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 Zoran Korac from Eurobank Beograd and Ruslan Raychev from Eurobank Bulgaria for their valuable contributions in today's issue.

GLOBAL MARKETS

Stock markets

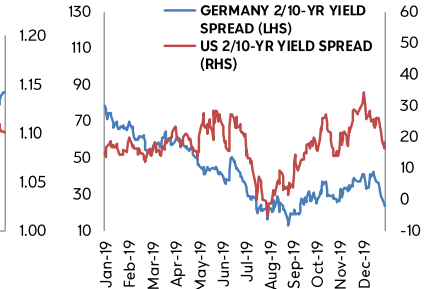
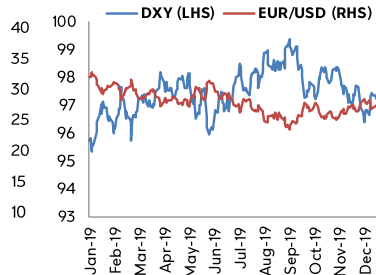
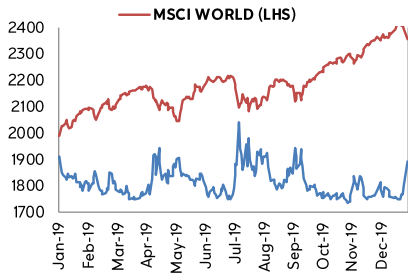
	Last	ΔD	ΔYTD
S&P 500	3243.63	-1.57%	0.4%
Nikkei 225	23215.71	-0.5%	-1.9%
STOXX 600	415.11	0.3%	-0.2%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1013	-0.1%	-1.8%
GBP/USD	1.3014	-0.3%	-1.8%
USD/JPY	109.02	-0.1%	-0.4%

Government Bonds

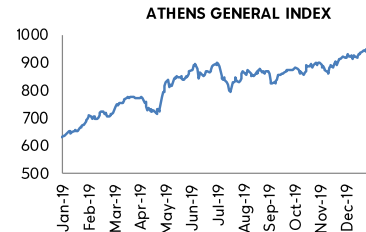
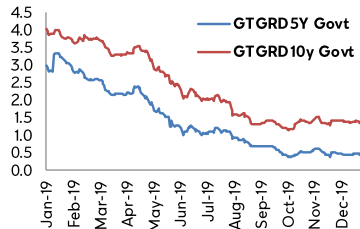
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.61	0	-31
Bund-10yr	-0.38	0	-20
JGB - 10yr	-0.04	1	-3



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.32	-1	-17
10Y Bond	1.16	0	-27
Δ(10YBund-10YGG)	1.55	0	-7



EMERGING MARKETS

Stock markets

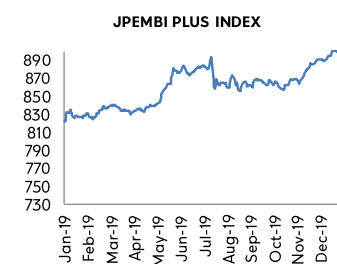
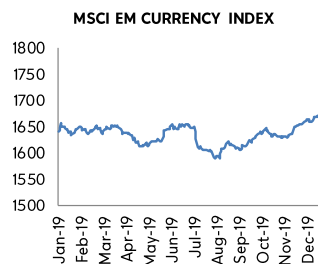
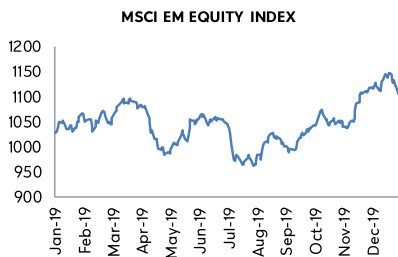
	Last	ΔD	ΔYTD
SOFIX	579.49	0.0%	2.0%
BELEX	797.82	-0.4%	-48.3%
XUI00	120297.90	0.1%	513.3%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.2748	0.1%	-0.5%
EUR/RSD	117.425	0.0%	0.3%
USD/TRY	5.9379	0.1%	0.2%

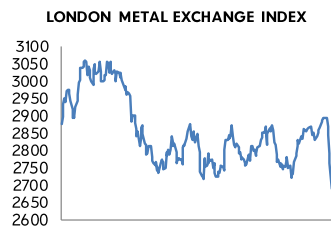
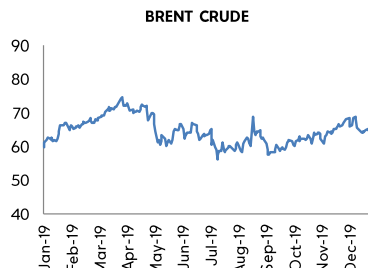
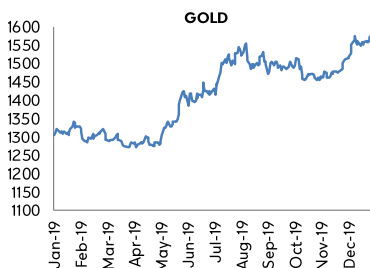
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	5.50	-6	-63
BG 8Y yield	Invalid Se	Invalid Se	Invalid Security
PL 10Y yield	2.21	0	#N/A N/A



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1578	-0.2%	4.0%
BRENT CRUDE	59	-0.3%	-10.4%
LMEX	2689	-2.7%	-5.4%



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 Ergasias 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.

