

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

July 30, 2020

Global Markets

As expected, this week's two-day FOMC monetary policy meeting which concluded yesterday did not yield major surprises. The only substantial change to the official statement was the addition that "the path of the economy will depend significantly on the course of the virus", with the Fed reiterating the "considerable risks" to the medium term outlook. Fed Chair Jerome Powell confirmed that the measures to control the renewed surge in virus cases have started to weigh on economic activity, and underlined the need for continued support from both fiscal and monetary policy. Favored by the Fed's dovish tone, both USTs and German Bunds remained supported and the USD continued to face some selling pressure. Focus today is on US and German 2Q GDP data which are expected to show a record economic contraction.

Greece

The Prime Minister of Greece, Kyriakos Mitsotakis, announced y-day that, following the Council of State ruling earlier this month on illegal pension cuts imposed in the 2015-2016 period, €1.4bn will be returned to the private and public sector pensioners in a one-off payment later this year. According to the government, the aforementioned ruling applies only to main pensions and not to supplementary ones or the Christmas and Easter allowances. As a result, the total cost of the returns is significantly lower compared to previous estimates (€4.0 bn). The cost of the ruling will have a negative impact on the 2020 primary balance, that is expected at -3.5% of GDP according to the 6th Review of the Enhanced Surveillance for Greece (May 2020).

CESEE

Serbia: The Ministry of Finance failed to sell any new debt at the auction of 5-year Treasury notes (T-notes), held yesterday. Whereas the initial target of the ministry was at least EUR50mn of T-notes, later EUR95.6mn were offered but investors' bids totaled only to EUR3mn, resulting in the cancellation of the auction. The offered securities carried a 1.0% coupon rate, matured on March 20, 2025 and were part of a bigger EUR100mn issue, first offered to investors on March 18, when the ministry sold 4.4 million euro of the total amount at a 1.1% yield. On the monetary front, NBS Governor Jorgovanka Tabakovic stated that the central bank will do its best to keep the dinar exchange rate stable as there was seasonal pressure on the currency's exchange rate since January related to the supply of energy but mostly to the Covid-19 crisis.

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GLOBAL MARKETS

Stock markets

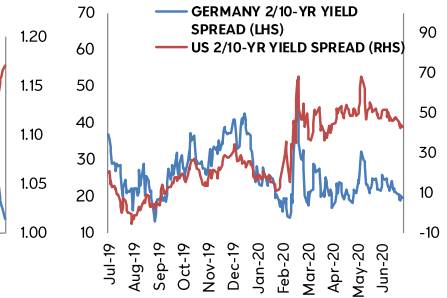
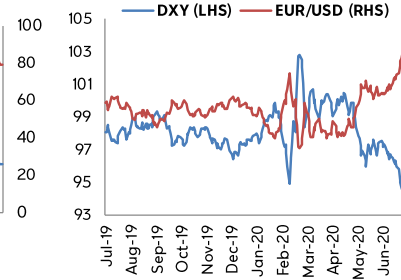
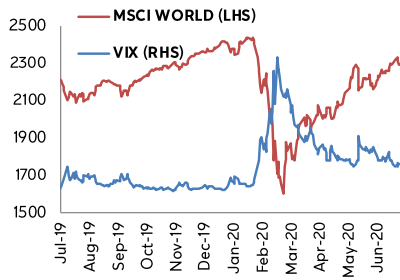
	Last	ΔD	ΔYTD
S&P 500	3258.44	1.24%	0.9%
Nikkei 225	22339.23	-0.3%	-5.6%
STOXX 600	367.45	-0.1%	-11.6%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1754	-0.3%	4.8%
GBP/USD	1.2959	-0.3%	-2.2%
USD/JPY	105.11	-0.2%	3.3%

Government Bonds

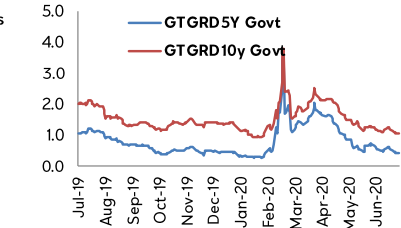
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.56	-1	-155
Bund-10yr	-0.51	-2	-33
JGB - 10yr	0.02	0	3



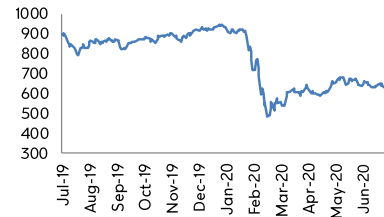
GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.43	0	-6
10Y Bond	1.07	0	-37
Δ(10YBund-10YGGB)	1.58	0	-4



ATHENS GENERAL INDEX



EMERGING MARKETS

Stock markets

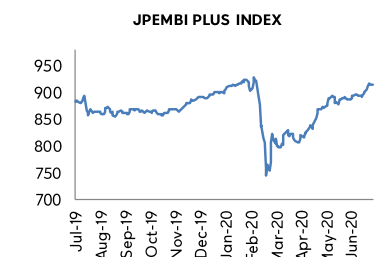
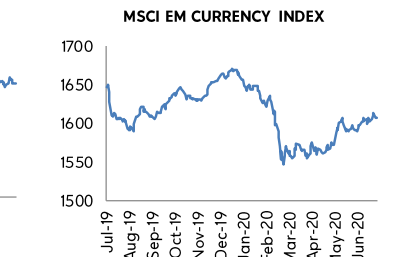
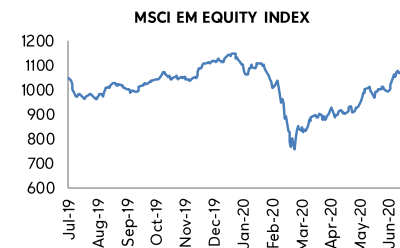
	Last	ΔD	ΔYTD
SOFIX	438.16	0.0%	-22.9%
BELEX	670.26	0.5%	-1639.4%
XU100	1137.17	0.1%	-61.9%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.4145	-0.2%	-3.6%
EUR/RSD	117.609	0.0%	0.1%
USD/TRY	6.9872	-0.1%	-14.8%

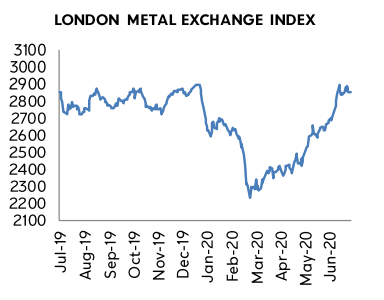
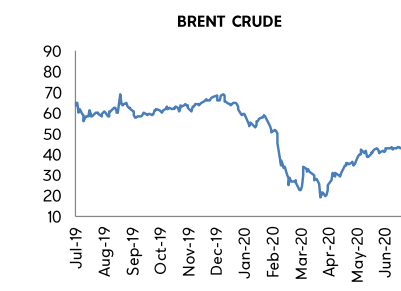
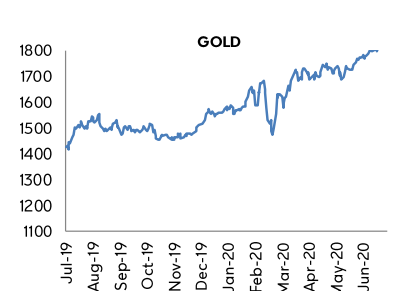
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	7.05	-1	92
BG 8Y yield	Invalid Security		
PL 10Y yield	1.33		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1954	-0.8%	28.8%
BRENT CRUDE	43	-0.7%	-34.2%
LME	2891	0.3%	1.7%



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