

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

August 31, 2020

Global Markets

China's official composite PMI for August surprised to the upside, rising to 54.5 from July's 54.1, supporting optimism for a continuing rebound in economic activity from the Covid-19 pandemic. In reaction, global equity markets kicked off the week in a positive note, while Fed Chair Jerome Powell's dovish tilt at the Jackson Hole conference last week also continued to favor risk-on sentiment. In addition, US data on Friday were better-than-expected, as consumer spending rose by a hefty 1.9%MoM in July and UM consumer sentiment for August was revised up by 1.3pts to 74.1. Turning to fixed income markets, extra-long UST and German Bund yields remained close to recent highs following last week's announcement for changes to the Fed's inflation framework, while in FX markets, the USD continued to face selling pressure.

Greece

The Economic Sentiment Indicator for August 2020 was marginally lower at 90.7 from 90.8 in July and against a monthly improvement in both the EU (+5.0) and the EA (+5.3). The decrease is attributed to deteriorating expectations in industry (-2.2), among consumers (-0.3), in retail (-2.0) and in building activity (-9.2). On the other hand, an improvement in expectations was recorded in the services sector (+5.4). In other news, according to press the government is mulling a second pilot trial, which will now focus on cuts in auxiliary pensions and other benefits. The first pilot trial concerned cuts in main pensions and based on this decision it has been calculated that c €1.4bn will be returned to about 1 million private and public sector retirees.

CESEE

CYPRUS: From a flow point of view, total deposits recorded a net increase of €105.6mn in July, compared to a net increase of €106.4mn in June. The annual rate of expansion in deposits, which has been in negative territory since last May, stood at -0.9%YoY in July down from -0.7% YoY in June and +1.9% YoY in December 2019. The outstanding amount of deposits reached €47.6bn in June. On the other hand, total loans in July exhibited a small net increase of €66.9mn compared to a net increase of €264.7mn in June. The annual growth rate of contraction came in at -3.7% YoY in July down from -4.0%YoY in June and -4.3%YoY in December 2019. The suspension of loan installments by the Ministry of Finance had a positive impact on the above loan dynamics so that the outstanding amount of loans reached €31.9bn in July.

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GLOBAL MARKETS

Stock markets

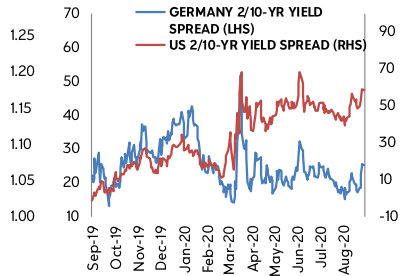
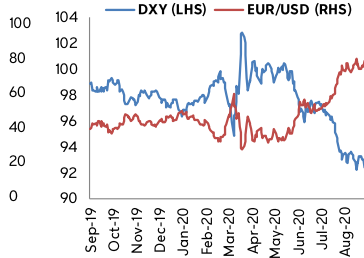
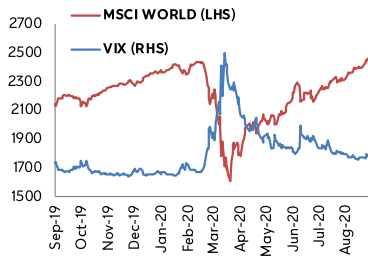
	Last	ΔD	ΔYTD
S&P 500	3508.01	0.67%	8.6%
Nikkei 225	23139.76	1.1%	-2.2%
STOXX 600	370.54	0.5%	-10.9%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1899	0.0%	6.1%
GBP/USD	1.3321	-0.2%	0.5%
USD/JPY	105.74	-0.3%	2.7%

Government Bonds

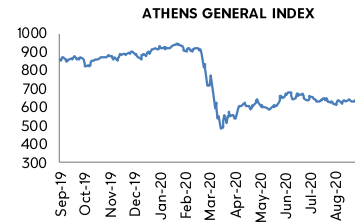
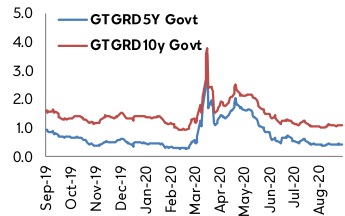
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.72	0	-120
Bund-10yr	-0.41	0	-23
JGB - 10yr	0.05	-1	6



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.44	0	-5
10Y Bond	1.09	0	-34
Δ(10YBund-10YGGB)	1.50	0	-12



EMERGING MARKETS

Stock markets

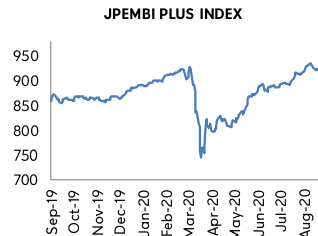
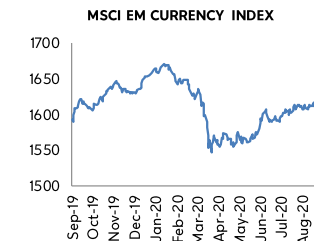
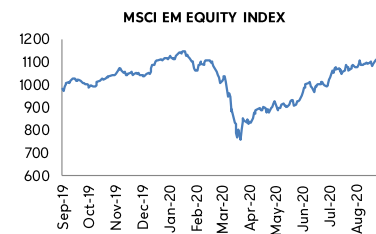
	Last	ΔD	ΔYTD
SOFIX	432.51	0.0%	-23.9%
BELEX	693.68	0.5%	-1347.3%
XUI100	1100.78	0.0%	-379.9%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.3978	-0.3%	-3.3%
EUR/RSD	117.592	0.0%	0.1%
USD/TRY	7.3544	-0.3%	-19.1%

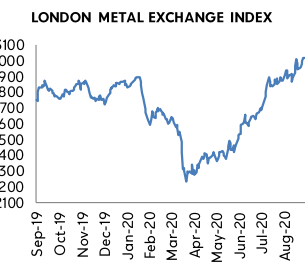
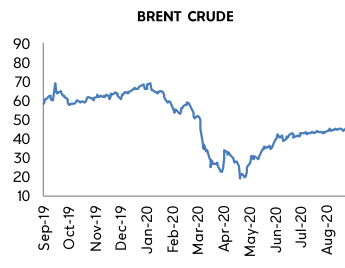
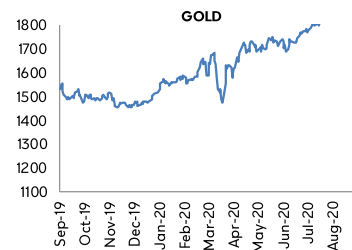
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.63	-8	50
BG 8Y yield	Invalid Security		
PL 10Y yield	1.42		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1961	-0.2%	29.3%
BRENT CRUDE	46	1.3%	-29.7%
LMEX	3017	0.8%	6.1%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 10:25 EST

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