

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

February 2, 2021

Global Markets

Risk-on sentiment prevailed earlier today amid optimism about further sizable US fiscal support and eased concerns about the possible ramifications of retail buying in equity markets. Republicans and Democrats held stimulus talks y-day, with Senate Majority leader Schumer saying that Democrats would use the budget reconciliation process, if needed. In spite of risk-on sentiment, the USD retained a positive tone amid prevailing worries over vaccine availability and global economic growth. The EUR/USD was hovering not far from y-day's fresh year-to-date low of 1.2053 at the time of writing, while investors await today's Eurozone Q4 2020 GDP data. Y-day's US data showed that the ISM manufacturing index dropped to a still solid 58.7 from December's 60.5, while the prices sub-index hit a near ten-year high of 82.1.

Greece

The Minister of Finance Christos Staikouras stated in an interview that cash reserves currently amount to €31.2bn but the fiscal cost of this year's support measures will likely exceed the €7.5bn foreseen in the 2021 Budget. Meanwhile, according to press, the Recovery Fund will also finance private investments with an amount that for Greece is estimated at €13bn in the form of low-interest loans, which will be complemented by c. 20% of equity and 30% of bank loans, to reach a total of €30bn. Finally, the IHS Markit PMI manufacturing posted 50 in January, from 46.9 in December, signaling unchanged operating conditions in the manufacturing sector. The declines in production and new orders eased but cost burdens rose due to disruptions in the supply chain and output charges rose.

CESEE

According to the flash estimate released yesterday, real GDP contracted by -1.3% YoY in Q4. Assuming no revisions in the figures of the previous quarters and that the detailed data for Q4 due on March 1 coincide with the flash estimate, GDP retreated by -0.95% in 2020, which is higher than the -1.1% estimate of the Statistics office released on December 30 and in line with the forecasts by the National Bank of Serbia and the Ministry of Finance. The outlook is gloomier in Bulgaria as GDP is expected to have shrunk by -4.6% in 2020, according to yesterday's Article IV consultation conclusions, with a projected rebound of 3.6% in 2021. According to the report, the recovery will be gradual, driven primarily by private consumption and supported by an accommodative fiscal stance.

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GLOBAL MARKETS

Stock markets

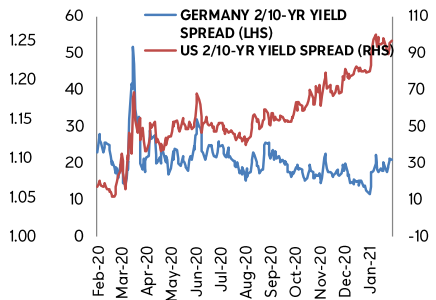
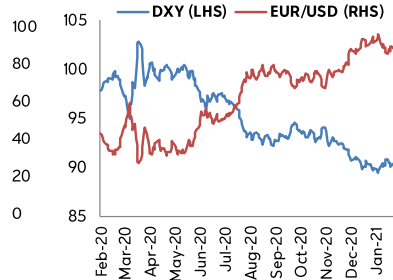
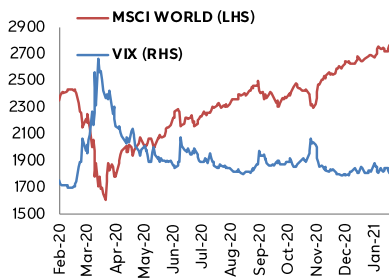
	Last	ΔD	ΔYTD
S&P 500	3714.24	-1.93%	-1.1%
Nikkei 225	28091.05	1.5%	2.4%
STOXX 600	399.13	0.8%	0.0%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.2124	-0.1%	-0.8%
GBP/USD	1.3747	0.3%	0.6%
USD/JPY	104.72	0.0%	-1.4%

Government Bonds

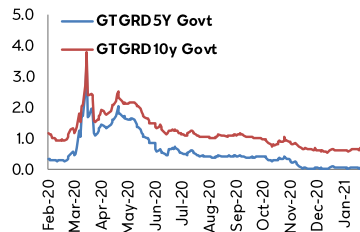
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.08	1	17
Bund-10yr	-0.52	0	5
JGB - 10yr	0.06	1	4



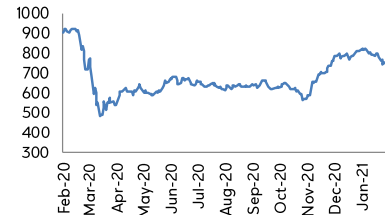
GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.04	0	-3
10Y Bond	0.67	-1	5
Δ(10YBund-10YGGB)	1.19	0	-1



ATHENS GENERAL INDEX



EMERGING MARKETS

Stock markets

	Last	ΔD	ΔYTD
SOFIX	499.38	0.0%	11.6%
BELEX	733.78	0.5%	-198.1%
XU100	1485.01	0.8%	56.1%

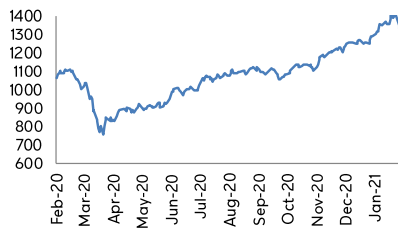
FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.5191	0.1%	0.9%
EUR/RSD	117.582	0.0%	0.0%
USD/TRY	7.2404	0.9%	2.8%

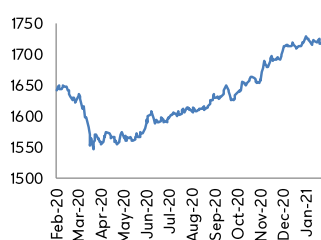
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	5.55	-6	14
BG 8Y yield	Invalid Security		
PL 10Y yield	1.15		

MSCI EM EQUITY INDEX



MSCI EM CURRENCY INDEX

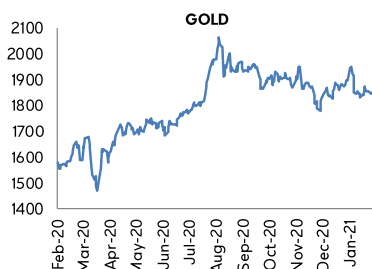


JPEMBI PLUS INDEX

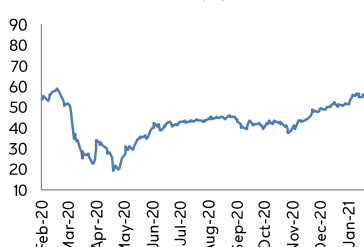


COMMODITIES

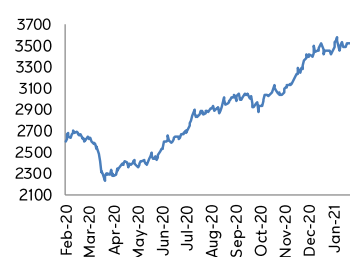
	Last	ΔD	ΔYTD
GOLD	1865	1.0%	-1.7%
BRENT CRUDE	56	1.1%	7.4%
LMEX	3456	-0.3%	1.2%



BRENT CRUDE



LONDON METAL EXCHANGE INDEX



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