

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

January 5, 2021

Global Markets

Though Covid-19 remains in the centre of market attention, today's main focus is on the runoff elections in Georgia for two Senate seats that could have a major impact on US President Elect Joe Biden's ability to pursue his policy priorities. Pressured by market uncertainty about the runoff elections and worries over rising Covid-19 infections in several countries, most Asian bourses ended lower today and major European equity markets opened little changed earlier today. UK PM Boris Johnson announced y-day a new lockdown until at least February 15, as the government aims to vaccinate the majority of vulnerable residents by then. Meanwhile, German Chancellor Angela Merkel will meet state premiers later today and is reportedly expected to announce an extension of the country's lockdown until January 31.

Greece

The IHS Markit Manufacturing PMI stood at 46.9 in Dec., from 42.3 in Nov. and 48.7 in Oct signaling another deterioration in operating conditions in the manufacturing sector - as it is below the 50 units threshold that distinguishes expansion from contraction - but less severe than in the previous month. The contraction is attributed to softer, but still steep declines in output and new orders, with substantial supply chain disruptions. Employment in manufacturing continued to decrease but at a slower pace. Nevertheless, the launch of vaccinations boosted business confidence to the highest level since February. On the political front, a limited cabinet reshuffle took place yesterday, without changes in the key Ministries of Finance and Development.

CESEE

TURKEY: Headline inflation accelerated further to 14.6% YoY in December vs. 14.0% YoY in November. The print came out above analysts' consensus expectations (Actual: +1.25% MoM vs +0.90% MoM) and suggests that more action could be needed to achieve the revised year-end Central Bank inflation target of 9.4%. Core inflation also climbed to 14.3% YoY in December vs. 13.3% YoY in November. The main driver behind sticky inflationary pressures is the high FX-pass through of the lira. Recall that in late December the CBRT increased its key policy rate – the 1-week repo rate – by another 200bps to 17.0%, above market consensus for 150bps. Following the release, the recently appointed Minister of Finance, Lutfi Elvan, reaffirmed the authorities' determination to fight inflation and support monetary policy through structural reforms.

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GLOBAL MARKETS
Stock markets

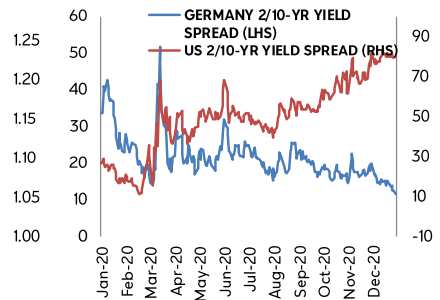
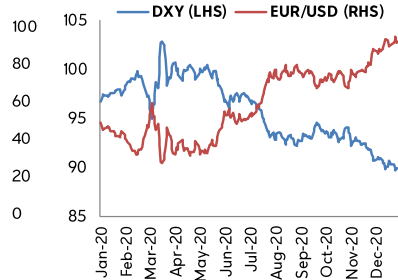
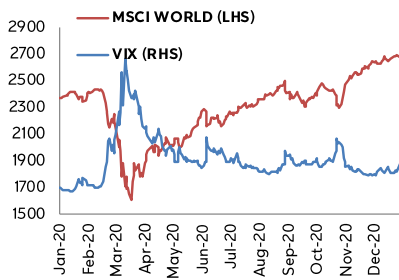
	Last	ΔD	ΔYTD
S&P 500	3700.65	-1.48%	-1.5%
Nikkei 225	27158.63	-0.4%	-1.0%
STOXX 600	401.69	0.7%	0.7%

FOREX

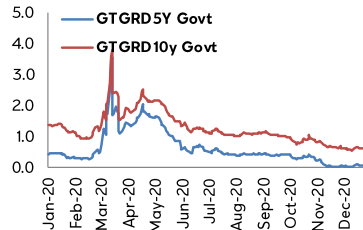
	Last	ΔD	ΔYTD
EUR/USD	1.2265	0.1%	0.4%
GBP/USD	1.358	0.1%	-0.7%
USD/JPY	102.92	0.2%	0.3%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.92	1	1
Bund-10yr	-0.60	1	-3
JGB - 10yr	0.01	-1	-1


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.07	0	0
10Y Bond	0.62	0	0
Δ(10YBund-10YGGB)	1.22	0	3


ATHENS GENERAL INDEX

EMERGING MARKETS
Stock markets

	Last	ΔD	ΔYTD
SOFIX	446.94	-0.1%	-0.1%
BELEX	749.91	0.2%	17.4%
XU100	1492.57	-0.2%	107.3%

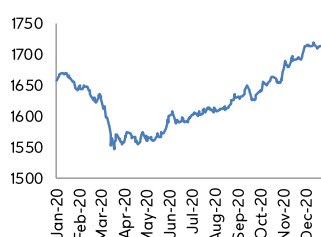
FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.557	0.0%	0.1%
EUR/RSD	117.567	0.1%	0.1%
USD/TRY	7.4173	0.1%	0.3%

Government Bonds

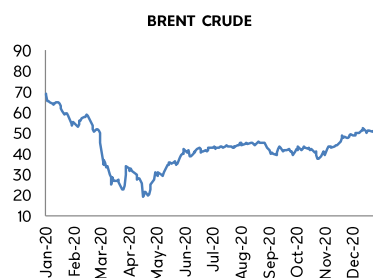
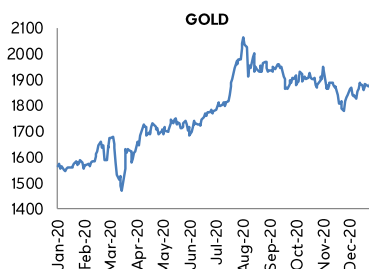
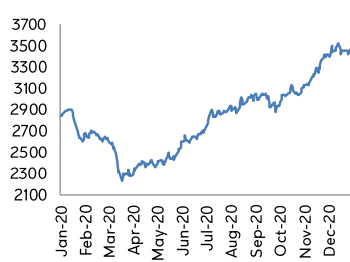
	Last	ΔDbps	ΔYTD bps
TR 10Y yield	5.38	-3	-3
BG 8Y yield	Invalid Security		
PL 10Y yield	1.21		

MSCI EM EQUITY INDEX

MSCI EM CURRENCY INDEX

JPEMBI PLUS INDEX

COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1943	0.0%	2.4%
BRENT CRUDE	51	-0.4%	-1.8%
LMEX	3481	1.9%	1.9%


LONDON METAL EXCHANGE INDEX


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