

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

February 5, 2021

Global Markets

Risk sentiment remained upbeat earlier today, with the S&P500 closing at a fresh all-time high overnight, supported by continued progress on the vaccine roll out and increased hopes for further US fiscal stimulus. Against this background, major sovereign bond yields remained close to y-day's new highs, while gilts underperformed, hurt by the BoE's hawkish tone at this week's policy meeting. BoE interest rates and QE were left unchanged, as expected, but the Committee adopted an upbeat tone saying that, beyond Q1, the economy should rebound strongly and signaled that it does not intend to impose negative interest rates any time soon. In FX markets, the USD remained broadly firm, with the EUR/USD hovering around 1.1950/80 ahead of today's US January non-farm payrolls report, after breaking below 1.2000 y-day.

Greece

According to Fitch ratings, in spite of the pandemic shock, Greece's sovereign debt remains sustainable as there are a number of external and internal factors, i.e. GDP growth, primary balance and low servicing costs, that keep risks subdued. With regard to the banking sector, the rating agency opines that although new NPLs are expected to be created because of the expiration of the repayment suspension this year, the NPEs ratio is expected to decline, provided that the securitisations proceed. On the pandemic front, both new cases and the positivity rate declined yesterday, standing at 1,070 (from 1,151) and 2.41% (from 2.97%) respectively. Nevertheless, the health committee is likely to propose stricter measures today, particularly in the regions that are at the highest alert level.

CESEE

Alvaro Santos Pereira, Director of the Country Studies Branch at the OECD, stated yesterday in an interview that it will take years before Bulgaria could join as a full-fledged member the OECD. The OECD official based his view on the still required progress on reforms in public administration and the fight against corruption. He also pointed out that Bulgaria's indicators are close to those of the OECD members, while there are positive developments such as the flourishing software and computer sectors and the low public debt-to-GDP ratio. In Serbia, according to the latest figures of the Ministry of Finance, the central government budget posted a deficit of RSD459.1bn in 2020 or -8.3% of GDP against RSD 12.8bn surplus in 2019, which is milder than the -8.8% of GDP target foreseen in the latest revision of the 2020 budget law.

Contributing Authors

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Maria Kasola
Economic Analyst
mkasola@eurobank.gr

GLOBAL MARKETS

Stock markets

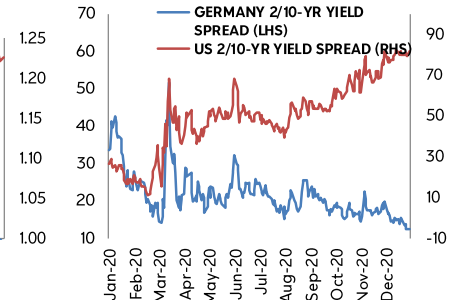
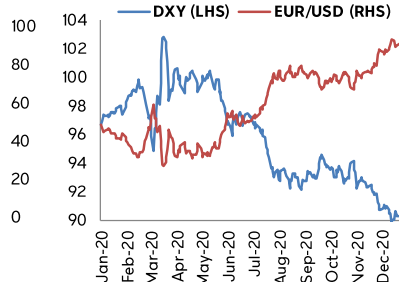
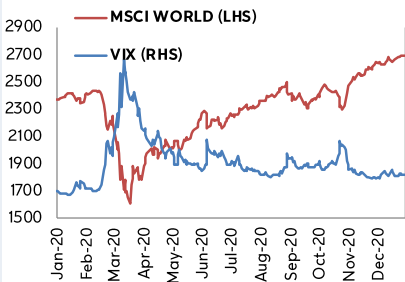
	Last	ΔD	ΔYTD
S&P 500	3871.74	1.09%	3.1%
Nikkei 225	28779.19	1.5%	4.9%
STOXX 600	409.54	0.6%	2.6%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1965	0.0%	-2.1%
GBP/USD	1.3686	0.1%	0.1%
USD/JPY	105.5	0.0%	-2.1%

Government Bonds

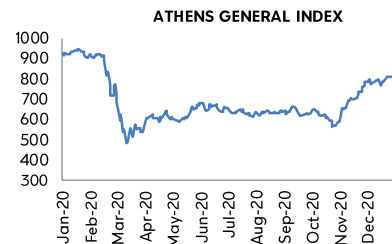
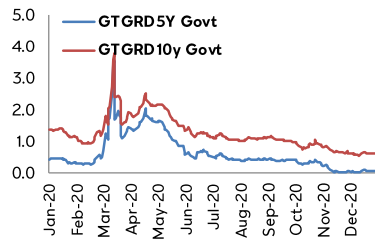
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.13	-1	22
Bund-10yr	-0.45	1	12
JGB - 10yr	0.06	0	4



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.02	0	-6
10Y Bond	0.75	11	13
Δ(10YBund-10YGGB)	1.10	0	-10



EMERGING MARKETS

Stock markets

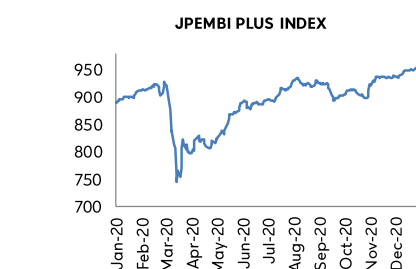
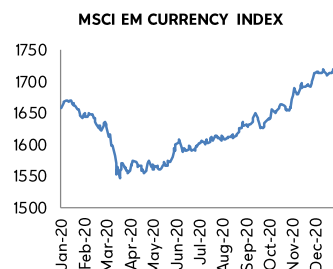
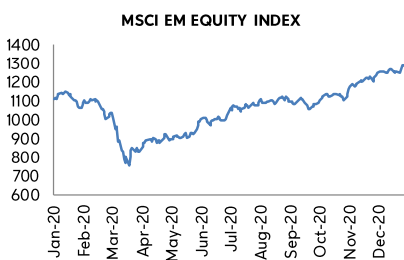
	Last	ΔD	ΔYTD
SOFIX	498.34	-0.8%	11.4%
BELEX	729.20	-0.3%	-259.3%
XU100	1534.90	0.1%	394.0%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.4995	0.0%	1.4%
EUR/RSD	117.64	0.0%	0.0%
USD/TRY	7.1272	0.2%	4.4%

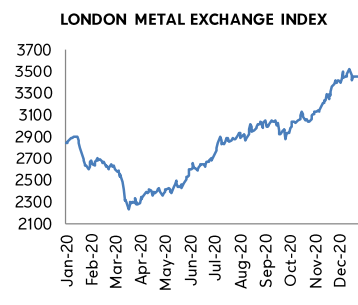
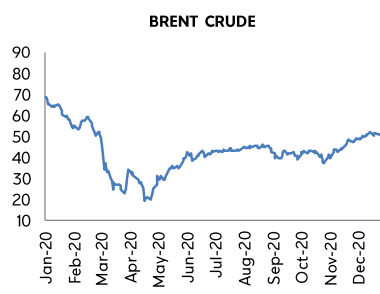
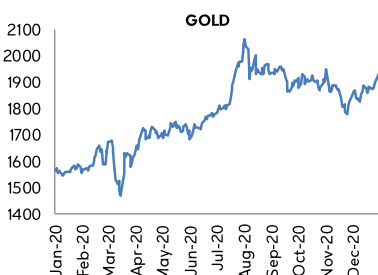
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	5.45	-4	4
BG 8Y yield	Invalid Security		
PL 10Y yield	1.22		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1797	0.2%	-5.3%
BRENT CRUDE	59	0.5%	14.2%
LMEX	3461	0.0%	1.4%



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 Rapanos
Economic Analyst
v-trapanos@eurobank.gr
+ 30 214 40 59 711



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

Περισσότερες εκδόσεις μας διαθέσιμες στην ηλεκτρονική διεύθυνση που ακολουθεί: <https://www.eurobank.gr/en/group/economic-research>
Εγγραφείτε ηλεκτρονικά, σε: <https://www.eurobank.gr/el/omilos/oikonomikes-analuseis/forma-ekdilosis-endaiferontos>
Ακολουθήστε μας στο twitter: https://twitter.com/Eurobank_Group
Ακολουθήστε μας στο LinkedIn: <https://www.linkedin.com/company/eurobank>

DISCLAIMER

This report has been issued by Eurobank 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.

