

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

July 8, 2021

Global Markets

US Treasuries extended recent gains reflecting a continued unwind of the reflation trade, with 10-yr yields hitting a fresh near five-month low of 1.275% earlier today and recording a cumulative drop of around 32bps from post-FOMC highs in mid-June. In FX markets, the USD gained broadly, after y-day's release of the FOMC minutes from the June meeting confirmed that the Committee began talking about tapering asset purchases, while all members agreed that the conditions for tapering have not yet been met and progress is expected to continue. The EUR/USD moved below 1.18 for the first time since early February, also pressured by a recent string of disappointing German data releases. Market focus today is on the results of the ECB Strategy Review at 13:00 CET followed by a press conference at 14:30 CET.

Greece

According to ELSTAT's monthly labour force survey (s.a data), the average unemployment rate increased to 16.5% in Jan-Apr 21 from 16.0% in Jan-Apr 2020. In the same period, the employed and unemployed persons decreased by 5.4% YoY (209.5 k persons) and 1.5% YoY (11.0 k persons) respectively. Given the above results, the labour force shrunk by 4.8% YoY (220.4 k persons). If the people that left employment, instead of moving out of the labour force had flowed to unemployment, the increase in the unemployment rate would have been much higher. It remains to be seen how the labour demand (firms) and the labour supply (households) will react once the government's supportive measures are lifted. The BoG (Jun-21) estimates an increase of the average unemployment rate to 16.7% in 2021 from 16.3% in 2019.

CESEE

In its summer forecast released y-day, the EC revised upwards its GDP growth forecast for Bulgaria to 4.6% in 2021, compared to 3.5% projected in the spring forecast in May. The projection for 2022 was revised downwards to 4.1% GDP growth, compared to 4.7% expected previously. The improvement of the outlook for 2021 was related to the strong recovery in Q1, while strong base effects stood behind the downward revision for 2022. On the overall, risks to the outlook are currently considered as broadly balanced, though attention should be paid on the lingering political instability and the slow vaccination process which could lead to new lockdowns in the near future and as such undermine the base scenario.

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GLOBAL MARKETS
Stock markets

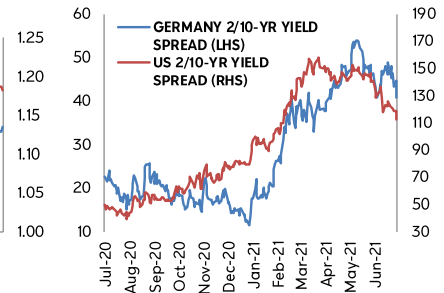
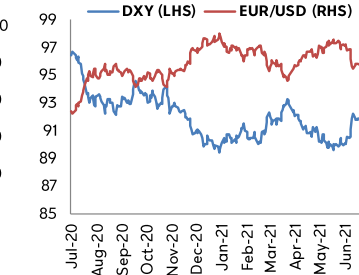
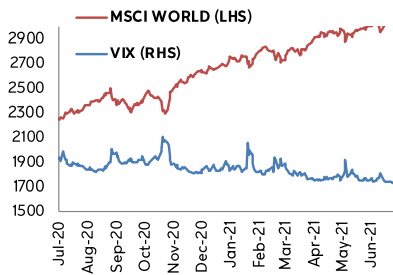
	Last	ΔD	ΔYTD
S&P 500	4358.13	0.34%	16.0%
Nikkei 225	28118.03	-0.9%	2.5%
STOXX 600	455.43	-0.9%	14.1%

FOREX

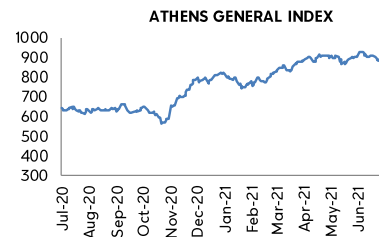
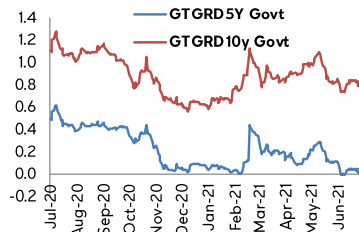
	Last	ΔD	ΔYTD
EUR/USD	1.1803	0.1%	-3.4%
GBP/USD	1.3774	-0.2%	0.8%
USD/JPY	109.92	0.7%	-6.1%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.28	-4	37
Bund-10yr	-0.33	-3	24
JGB - 10yr	0.03	-1	1


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	-0.07	-2	-15
10Y Bond	0.71	-2	9
Δ(10YBund-10YGG)	1.04	0	-15


EMERGING MARKETS
Stock markets

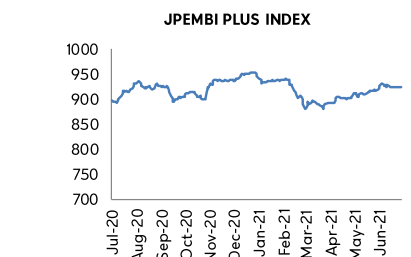
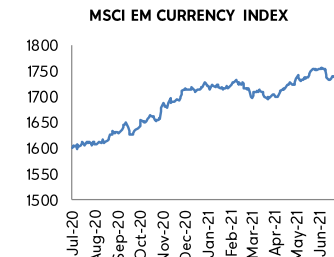
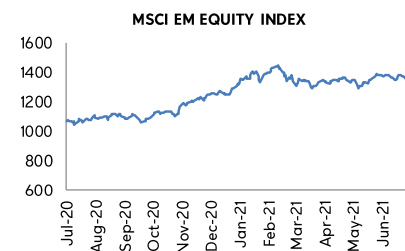
	Last	ΔD	ΔYTD
SOFIX	554.48	0.1%	23.9%
BELEX	776.50	0.3%	372.6%
XU100	1387.82	-0.2%	-602.0%

FOREX

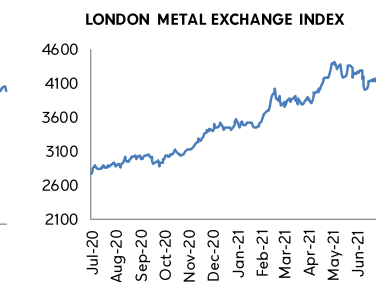
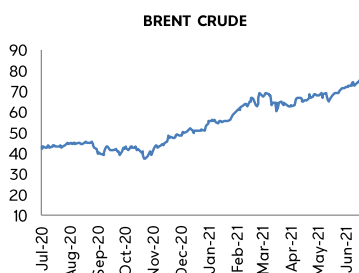
	Last	ΔD	ΔYTD
EUR/PLN	4.5364	0.0%	0.5%
EUR/RSD	117.585	0.0%	0.0%
USD/TRY	8.7172	-0.3%	-14.6%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.26	-6	85
BG 8Y yield	Invalid Security		
PL 10Y yield	1.58		


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1807	0.2%	-4.8%
BRENT CRUDE	73	-0.4%	41.2%
LMEX	4160	0.8%	21.8%



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