

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

February 12, 2021

Global Markets

According to the EC's Winter 2021 Interim Forecast, GDP in the EU is expected to grow by 3.7% in 2021 and 3.9% in 2022 and by 3.8% in both years in the EA, amid optimism that growth will resume this spring and gain momentum in the summer, as progress in vaccinations would allow for a gradual lifting of containment measures. Meanwhile, positive sentiment on the Biden Administration's fiscal stimulus plan and vaccine rollout continues to drive risk appetite, while the DXY index remained not far from this week's 90.251 two-week low, following y-day's poor US initial jobless claims. Turning to the EMU sovereign bond markets, BTPs continued to outperform, with the 10-yr yield hitting a fresh all-time low of 0.435% on reports that PM-designated Mario Draghi will be supported by the Five Star Movement to form a new government.

Greece

According to the EC's Winter Economic Forecast released yesterday, real GDP contraction in 2020 is expected to reach -10% (from -9% in the Autumn forecast) as the re-introduction of containment measures in Q4-2020 are expected to lead to negative growth in quarterly terms. At the same, the extension of containment measures well into Q1-2021 is expected to weigh on recovery with annual real GDP growth forecast at 3.5% in 2021 and 5% in 2022 (from 5% and 3.5% in the Autumn forecast). The recovery is expected to be supported mainly by private consumption, once restrictive measures begin to ease. Net exports are expected to contribute positively to 2021 and 2022 growth as the progress in vaccinations will allow the recovery of tourism, while investment is also expected to recover but at a slower pace.

CESEE

In the Winter Economic Forecast released yesterday by the EC, real GDP in Bulgaria is forecasted to expand by +2.7% in 2021 and +4.9% in 2022. The forecast for 2021 is broadly in line with the Autumn forecast, while 2022's current forecast has sizably improved compared to November's 3.7%. Domestic demand is expected to remain subdued in the first half of 2021, given the potential extension of containment measures while the following gradual re-opening of the economy should provide a boost to consumption and investment in the second half of the year. While the recovery in foreign tourism is expected from Q3 onwards, it will be subject to downside risks linked to the relative rate of vaccinations and contagion in Bulgaria compared to alternative tourism destinations.

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GLOBAL MARKETS

Stock markets

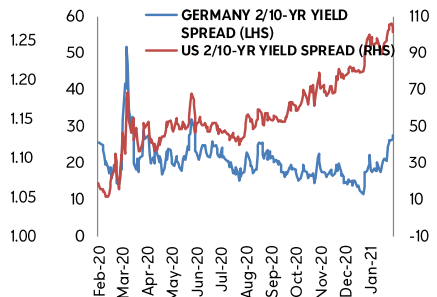
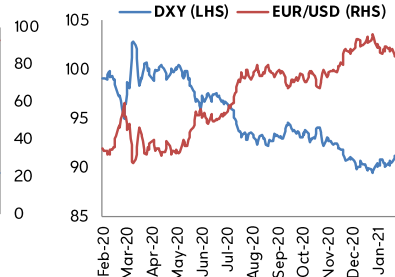
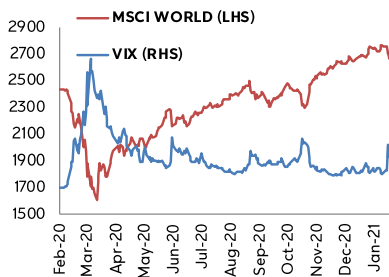
	Last	ΔD	ΔYTD
S&P 500	3916.38	0.17%	4.3%
Nikkei 225	29520.07	-0.1%	7.6%
STOXX 600	411.35	0.5%	3.1%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.2113	-0.1%	-0.9%
GBP/USD	1.3798	-0.1%	0.9%
USD/JPY	104.93	-0.2%	-1.6%

Government Bonds

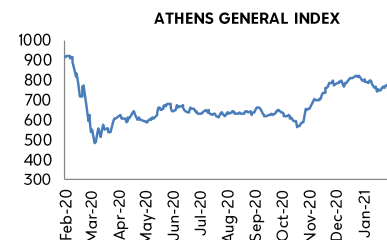
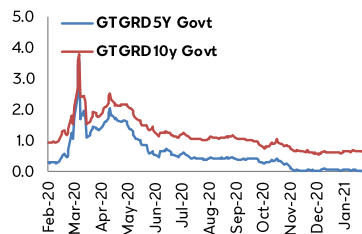
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.16	-1	24
Bund-10yr	-0.45	0	12
JGB - 10yr	0.07	-2	5



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.02	0	-6
10Y Bond	0.74	-1	12
Δ(10YBund-10YGGB)	1.20	0	1



EMERGING MARKETS

Stock markets

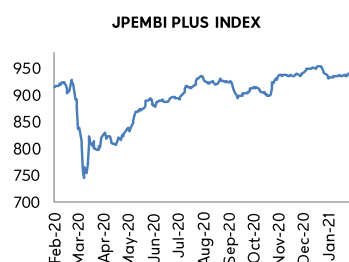
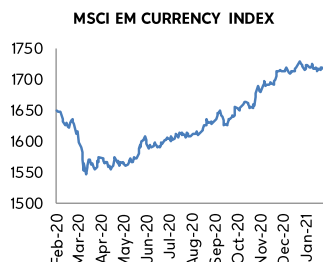
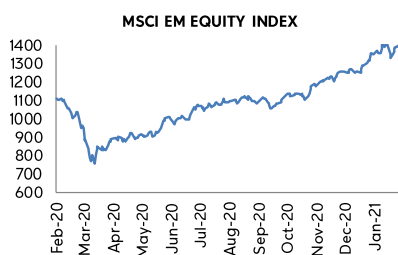
	Last	ΔD	ΔYTD
SOFIX	491.21	-0.6%	9.8%
BELEX	737.62	0.9%	-146.8%
XU100	1541.17	-0.3%	436.4%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.504	0.0%	1.3%
EUR/RSD	117.561	0.0%	0.1%
USD/TRY	7.0283	-0.1%	5.9%

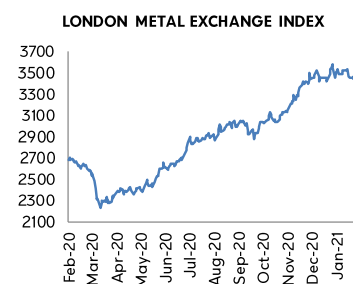
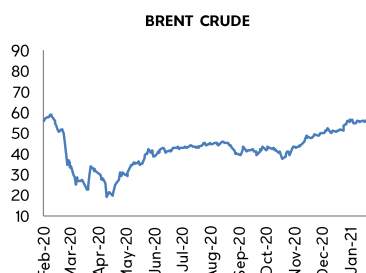
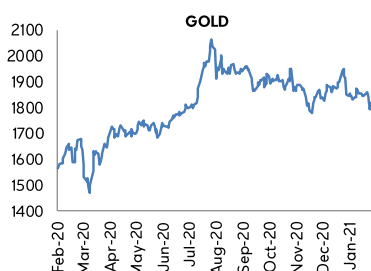
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	5.43	-4	2
BG 8Y yield	Invalid Security		
PL 10Y yield	1.27		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1816	-0.5%	-4.3%
BRENT CRUDE	61	-0.6%	17.3%
LMEX	3643	0.0%	6.7%



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