

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

June 15, 2021

Global Markets

The 10-yr UST yield retreated from Friday's three-month lows rising by some 4bps to 1.50% y-day, the biggest daily gain in more than a month. Meanwhile, the US dollar traded near multi-week peaks on Tuesday morning, with the DXY index hovering around 90.500, ahead of the much anticipated FOMC meeting that starts later today. Investors will look closely at any insight on taper talk and inflation, with the focus of attention turning to a potential push-back in the timing of policy support withdrawal. On the data front, euro area industrial production rose by 0.8%MoM in April, bringing the aggregate production back at its pre-crisis level. Looking at today's calendar, focus centres on the US May PPI, retail sales and industrial production, as well as the June Empire State Manufacturing Survey and NAHB Housing Market Index.

Greece

Tomorrow the European Commission is expected to approve the Greek Recovery and Resilience Plan 'Greece 2.0', which will then also have to be approved by some national parliaments, where required, and finally by the Economic and Financial Affairs Council (ECOFIN). Obstacles to the approval are not considered likely but time is of essence and it is desirable that the ECOFIN approval be given no later than July, in order for the disbursement of the advance payment of €4bn (13% of total) to not be delayed. On Covid-19, daily cases stood at 472 yesterday with the 7-day average at 737, lower by 35%WoW. The positivity rate reached 2.4% yesterday, against a 7-day average of 1.9%. Patients in ICUs are steadily on a declining path, amounting to 353 yesterday, compared to 392 one week ago.

CESEE

S&P affirmed on Friday Serbia's long-term sovereign rating at BB+ with a stable outlook. The rationale was based on moderate levels of government debt and credible monetary policy, with the weak institutional framework imposing limitations to an upgrade. The agency remains optimistic on the country's recovery prospects, as it projects a GDP growth rate of 5% in 2021, which is in line with recent forecasts by international FIs but more conservative than Serbia's official forecasts, which stand at 6%. Fiscal deficits will remain wide for both 2021 and 2022, i.e. at 6.9% and 5% of projected GDP respectively, but thereafter a decompression is anticipated with return to deficits at around 3% of GDP. General government debt will most probably exceed 60% of GDP at end-2021 and will remain at these levels for a couple of years.

Contributing Authors

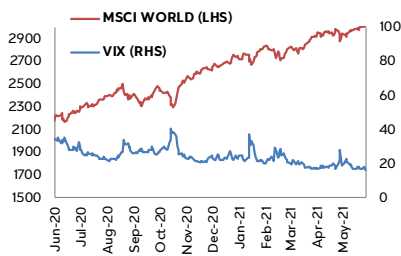
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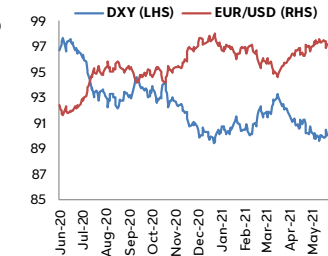
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GLOBAL MARKETS
Stock markets

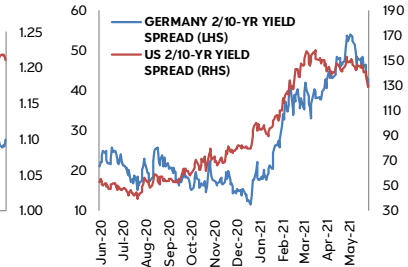
	Last	ΔD	ΔYTD
S&P 500	4255.15	0.18%	13.3%
Nikkei 225	29441.30	1.0%	7.3%
STOXX 600	458.32	0.2%	14.9%


FOREX

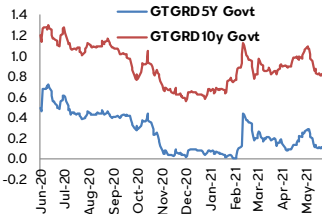
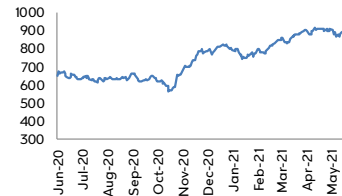
	Last	ΔD	ΔYTD
EUR/USD	1.2139	0.2%	-0.6%
GBP/USD	1.4115	0.0%	3.3%
USD/JPY	110.04	0.0%	-6.2%


Government Bonds

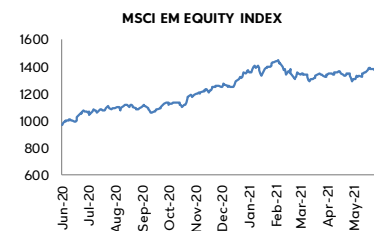
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.48	-1	57
Bund-10yr	-0.26	-1	31
JGB - 10yr	0.05	1	3


GREECE
Government Bonds

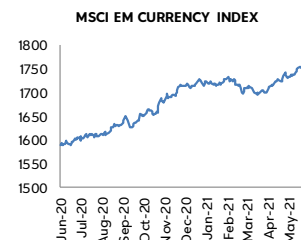
(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	-0.01	-1	-9
10Y Bond	0.74	0	12
Δ(10YBund-10YGB)	1.00	0	-20


ATHENS GENERAL INDEX

EMERGING MARKETS
Stock markets

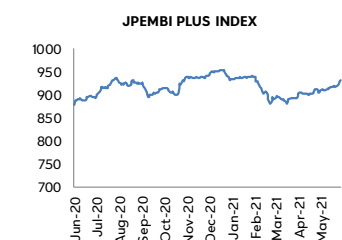
	Last	ΔD	ΔYTD
SOFIX	544.70	0.4%	21.7%
BELEX	781.71	-0.1%	442.2%
XU100	1454.25	-0.5%	-152.2%


FOREX

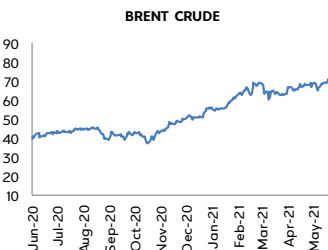
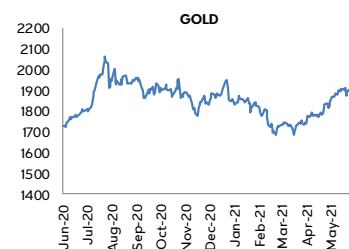
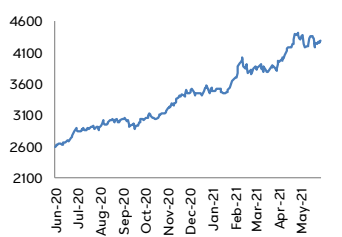
	Last	ΔD	ΔYTD
EUR/PLN	4.521	-0.1%	0.9%
EUR/RSD	117.545	0.1%	0.1%
USD/TRY	8.536	-0.8%	-12.8%


Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.07	-4	67
BG 8Y yield	Invalid Security		
PL 10Y yield	1.72		


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1868	0.1%	-1.6%
BRENT CRUDE	73	0.5%	41.3%
LMEX	4291	0.2%	25.7%


LONDON METAL EXCHANGE INDEX


Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 10:07 EST

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