

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

June 17, 2021

Global Markets

There was a hawkish tilt at the June FOMC meeting, with the 2023 median dot plot now projecting two 25bp rate hikes from none in March. The shift was driven by expectations for a better economic outlook (2021 GDP revised to 7.0% from 6.5%) and for higher inflation (2021 PCE expected at 3.4% from 2.4%). Pandemic-related inflation drivers are still viewed as transitory, but Fed Chair Powell noted that demand shifts, supply bottlenecks and hiring difficulties could “raise the possibility that inflation could turn out to be higher and more persistent than we expect.” In response, the 10-yr UST yield rose the most in 3 months (~8bp) y-day trading around a two-week high of 1.59% earlier today, the 10-yr Bund yield followed suit reaching three-week highs of -0.15%, while the DXY dollar index surged to a two-month high of 91.500 in Asian trade.

Greece

According to the Hellenic Parliamentary Budget Office report for Q1-21, given the milder-than-expected recession in Q1-21 of -2.3% and assuming that the GDP growth rate in the coming quarters is in line with estimates, the 2021 real GDP growth is expected to exceed the Office’s baseline scenario (2.7%), and move closer to the positive scenario between 3.6% and 4.8%. Nevertheless, uncertainties persist with the predominant short-term risk being the evolution of health conditions and in the medium-term, the lifting of exceptional expansionary fiscal and monetary policy measures. Meanwhile, on privatisations, the transfer of the share capital of Hellinikon SA will be reportedly completed on June 25 and then the concessionaire will pay the first installment of the total price of €915mn, amounting to €300mn.

CESEE

May’s inflation print demonstrated that pressures have been building up since the beginning of the year. Inflation accelerated to 2.5% YoY in May, from 2.0% YoY and 0.6% YoY in April and March respectively, while in the first two months of the year, CPI stood in negative grounds close to zero. On a monthly basis, inflation edged up only by a tad, i.e. 0.1%. The pick-up of the annual CPI was mainly driven by the ongoing upward trend of global oil prices, and to some extent by the lower base effects of the previous year. May’s unemployment official data released on Tuesday point to a recovering labor market since the burst out of the pandemic. The registered unemployment came in at 5.7% in May, falling by 0.4pps and 3.3pps on a monthly and yearly basis respectively, reaching the lowest level since October 2019.

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GLOBAL MARKETS

Stock markets

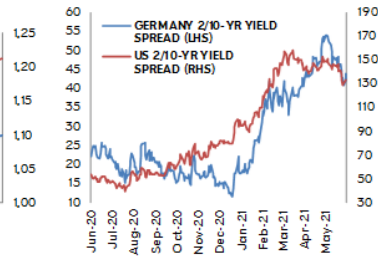
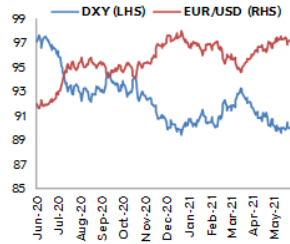
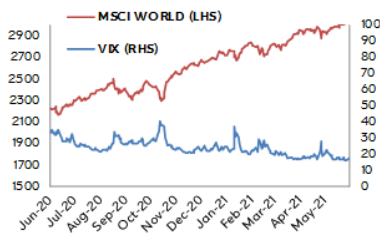
	Last	ΔD	ΔYTD
S&P 500	4223,70	-0,54%	12,4%
Nikkei 225	29018,33	-0,9%	5,7%
STOXX 600	459,86	0,2%	15,2%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1,1971	-0,2%	-2,0%
GBP/USD	1,3985	0,0%	2,3%
USD/JPY	110,69	0,0%	-6,7%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1,57	-1	65
Bund-10yr	-0,16	9	41
JGB - 10yr	0,07	2	5

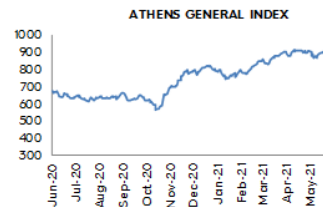
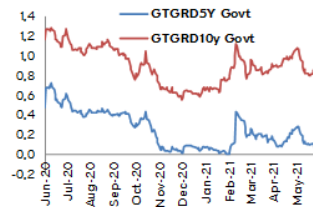


GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0,01	2	-7
10Y Bond	0,76	2	14
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EMERGING MARKETS

Stock markets

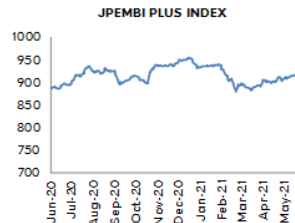
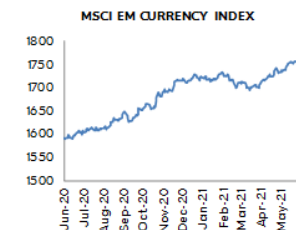
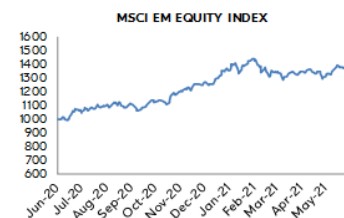
	Last	ΔD	ΔYTD
SORIX	548,00	0,1%	22,4%
BELEX	782,32	0,0%	450,3%
XU100	1431,31	-0,8%	-307,5%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4,5291	0,0%	0,7%
EUR/RSD	117,543	0,0%	0,1%
USD/TRY	8,6335	-0,3%	-13,8%

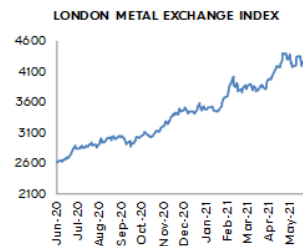
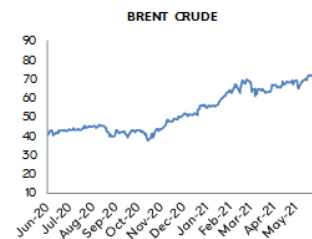
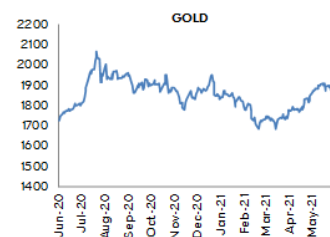
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6,23	2	82
BG 5Y yield	Invalid Security		
PL 10Y yield	174		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1815	0,1%	-4,5%
BRENT CRUDE	74	-0,6%	-42,8%
LMEX	4192	0,6%	22,8%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 10:09 EST

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