

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

January 25, 2021

Global Markets

Risk-on sentiment prevailed in the majority of global equity markets earlier today, as optimism that Biden Administration's \$1.9trn stimulus proposal would help revive the US economy offset concerns that the virus impact would probably last longer than expected amid delays in vaccine supplies and Covid-19 mutations from various parts of the world. Against this background, the EUR/USD continued to hover above the 1.2150 level earlier today, following a drop to a multi-week low near 1.2050 last week, also supported by Friday's EA preliminary PMI surveys for January that proved less gloomy than some feared. Focus this week is on the FOMC policy meeting (Wednesday) ahead of Q4 2020 GDP reports for a number of countries, including the US (Thursday). Italian politics also lure attention ahead of a key vote in the Senate on justice reforms.

Greece

Fitch affirmed Greece's "BB" sovereign credit rating while the stable outlook remained unchanged. GDP is expected to recover from Q2-2021 onwards, assuming the easing of the health crisis worldwide and the frontloading and absorption of EU funds. Fitch projects GDP to grow by 3.0% in 2021 and by 7.6% in 2022, before gradually declining to the projected medium-term potential growth rate of 1.0%. Meanwhile, according to press, the government is examining new measures to support pandemic-affected businesses, such as rent payment exemption, extension of the reduced VAT rate, subsidy of social security contributions and a 6th round of advance repayment. Finally, PPC has pushed back the deadline for the EoI for a majority stake in HEDNO, to 19 Feb.

CESEE

CYPRUS: On Friday, Moody's postponed the scheduled sovereign rating assessment for the country. Moody's is still the only agency among the four major ones, which still classifies Cyprus two notches below investment grade status. A day earlier, the parliament endorsed the amended budget with a majority of 29 MP votes in favor from five political parties (DISY, EDEK, Solidarity Movement, Democratic Cooperation, ELAM) vs. 26 MP votes against from three parties (AKEL, DIKO, the Green Party, an independent MP). The previous budget draft had been rejected by the parliamentary majority in late December for the first time in the history of the Republic. The Minister of Finance thanked the parties who voted in favor, adding that rejection risks have been averted and described the budget as balanced and coherent.

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GLOBAL MARKETS
Stock markets

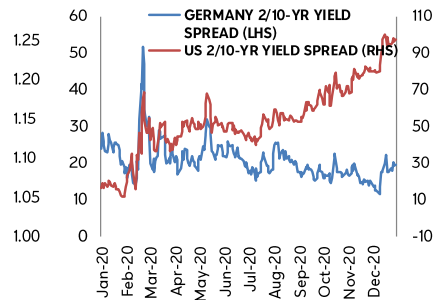
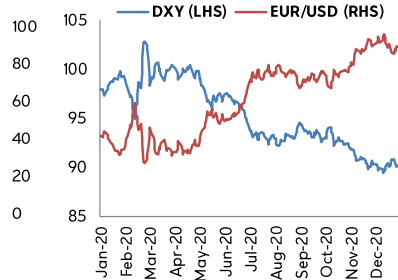
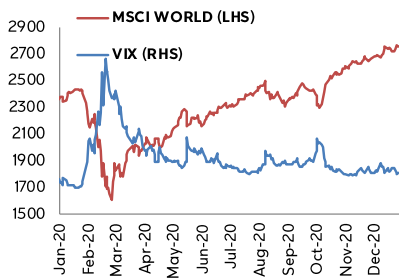
	Last	ΔD	ΔYTD
S&P 500	3841.47	-0.30%	2.3%
Nikkei 225	28822.29	0.7%	5.0%
STOXX 600	410.69	0.5%	2.9%

FOREX

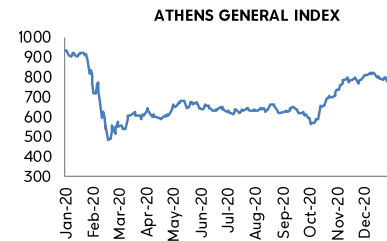
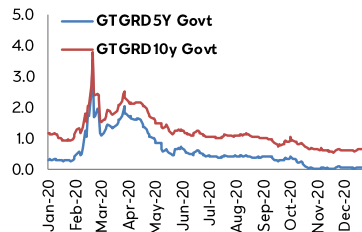
	Last	ΔD	ΔYTD
EUR/USD	1.2171	0.0%	-0.4%
GBP/USD	1.3703	0.1%	0.2%
USD/JPY	103.74	0.0%	-0.5%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.10	1	18
Bund-10yr	-0.51	0	6
JGB - 10yr	0.05	0	3


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.06	-1	-1
10Y Bond	0.68	-1	6
Δ(10YBund-10YGGB)	1.19	0	0


EMERGING MARKETS
Stock markets

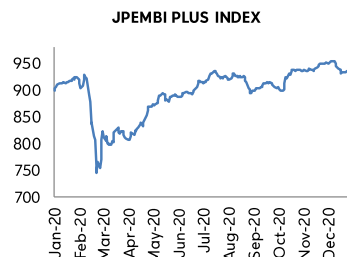
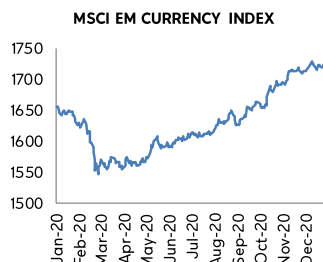
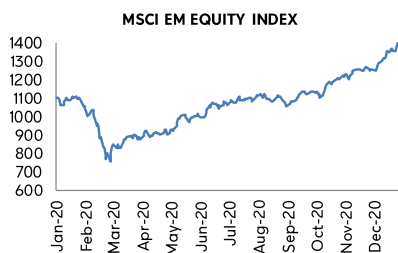
	Last	ΔD	ΔYTD
SOFIX	502.30	0.0%	12.2%
BELEX	733.04	-0.5%	-208.0%
XU100	1552.56	0.7%	513.6%

FOREX

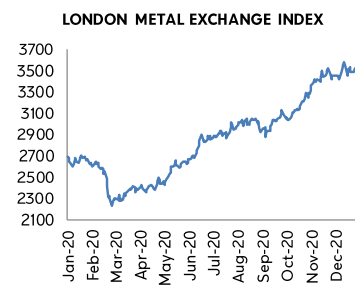
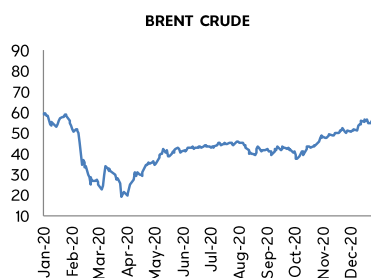
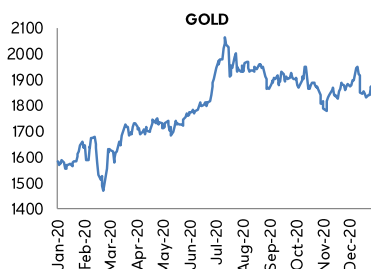
	Last	ΔD	ΔYTD
EUR/PLN	4.5376	0.0%	0.5%
EUR/RSD	117.575	0.0%	0.0%
USD/TRY	7.3852	0.4%	0.7%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	5.72	-5	31
BG 8Y yield	Invalid Security		
PL 10Y yield	1.20		


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1851	-0.2%	-2.5%
BRENT CRUDE	56	0.3%	7.3%
LMEX	3516	-0.2%	3.0%



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