

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

January 28, 2021

Global Markets

The Fed left interest rates, asset purchases and its forward guidance unchanged y-day, while it reiterated its dovish message, as expected. The official statement acknowledged that the pace of activity and employment has “moderated in recent months”, and FOMC Chair Jerome Powell reiterated in the post-meeting press conference that any talk of tapering asset purchases is “premature”. In spite of the Fed’s pledge for continued policy support, risk assets came under heavy pressure amid concerns about new virus variants, a slow vaccine rollout and vaccine supply shortages in Europe. Major fixed income markets were well-supported, and the USD gained broadly, with the EUR/USD falling slightly below 1.21, pressured by newswires suggesting that the ECB is concerned that markets are underpricing the risk of a rate cut.

Greece

Greece raised €3.5bn yesterday through the issue of a 10YR bond at a record low yield of 0.807%, while demand exceeded €29bn. On the energy sector, according to press, electricity market participants, initially agreed with a scheme addressing the matter of PPC’s lignite monopoly. The proposed scheme provides for the partial sale of energy by the PPC to electricity providers in the next three years, through bilateral contracts. DGComp will reportedly perform a market test in the next couple of days, which will determine the particular terms of the scheme. On the pandemic front, Covid19 cases remained elevated yesterday at 858 from 842 the day before, while the positivity rate stood almost unchanged at 2.28%. The health committee will re-assess today the need for restrictive measures.

CESEE

Following the successful 18-month PCI completion, the Serbian government and the IMF agreed yesterday on a new program which could start in mid-2021. The government will negotiate with the IMF representatives in the next two or three months the content of the new program with the key target remaining the continuation of structural reforms in the areas of the public sector salaries, the state owned enterprises and the capital market. On the markets front, the Ministry of Finance reopened the 28 January 2020 issuance and raised RSD9.5bn in 5-year bonds on Tuesday, with investors placing bids for RSD15.5bn. The notes bear a 3% coupon and were sold at an average yield of 2.23%, which is lower than the 2.59% yield achieved at the November 24 identical auction.

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GLOBAL MARKETS

Stock markets

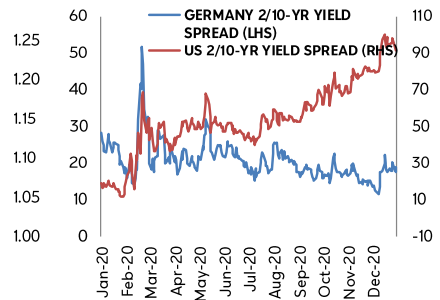
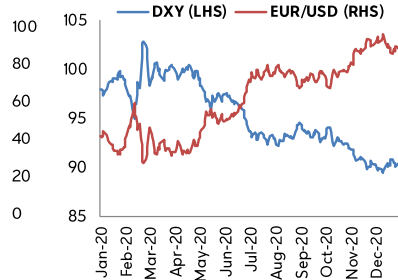
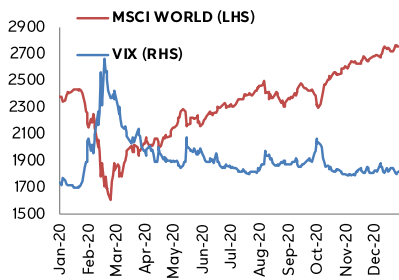
	Last	ΔD	ΔYTD
S&P 500	3750.77	-2.57%	-0.1%
Nikkei 225	28197.42	-1.5%	2.7%
STOXX 600	402.98	-1.2%	1.0%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.2094	-0.1%	-1.0%
GBP/USD	1.3656	-0.2%	-0.1%
USD/JPY	104.31	-0.2%	-1.0%

Government Bonds

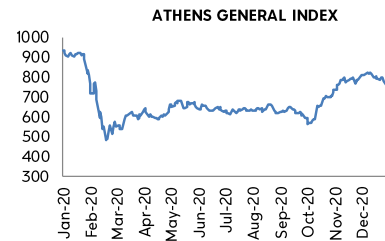
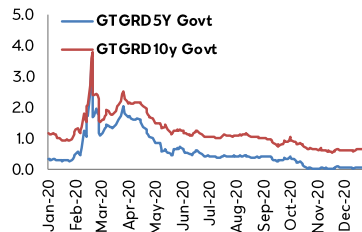
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.00	-1	9
Bund-10yr	-0.55	0	2
JGB - 10yr	0.04	-1	2



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.04	0	-4
10Y Bond	0.67	0	5
Δ(10YBund-10YGG)	1.22	0	3



EMERGING MARKETS

Stock markets

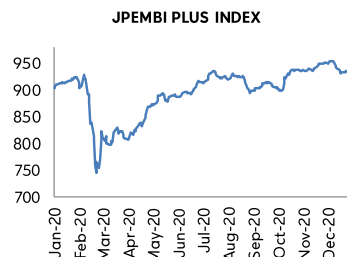
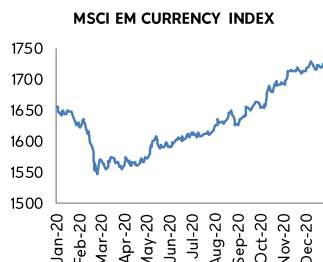
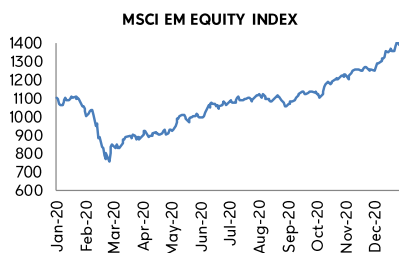
	Last	ΔD	ΔYTD
SOFIX	506.98	0.5%	13.3%
BELEX	730.67	-0.1%	-239.6%
XU100	1453.75	-0.9%	-155.5%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.5617	-0.3%	0.0%
EUR/RSD	117.646	0.0%	0.0%
USD/TRY	7.3835	0.2%	0.8%

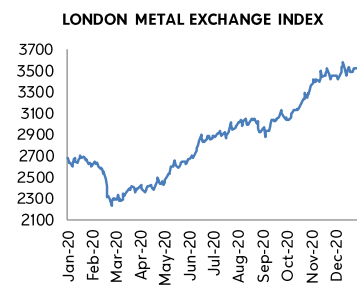
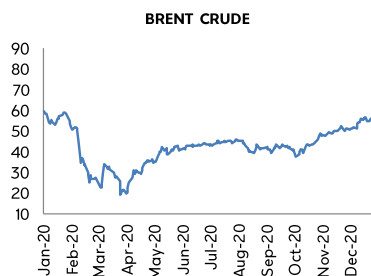
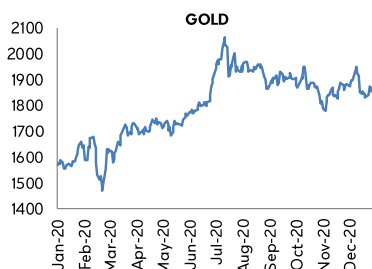
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	5.70	-4	29
BG 8Y yield	Invalid Security		
PL 10Y yield	1.14		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1836	-0.4%	-3.3%
BRENT CRUDE	56	-0.5%	7.2%
LME	3458	-1.9%	1.3%



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