

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

July 27, 2020

Global Markets

The Eurozone preliminary PMIs for July surprised positively, supporting the view that activity continues to gain momentum as national economies continue to reopen after weeks of lockdown. The composite output PMI rose by a higher-than-expected 6.3pts to a 25-month peak of 54.8, with manufacturing PMI at 51.1 (+3.7pts) and services PMI at 55.1 (+6.8pts). In reaction, the EUR gained, rising above 1.1700 against the USD earlier today for the first time since late September 2018, while fading hopes for a quick US economic recovery, also favored the common currency. Meanwhile, gold hit a fresh all-time peak of \$1,944 per ounce earlier today, driven by rising diplomatic tensions between the US and China. Looking at this week's calendar, focus is on Q2 GDP data from the US (Thursday) and the Eurozone (Friday), while no action is expected at the FOMC meeting (monetary policy announcement on Wednesday).

Greece

On 24 July 2020, Fitch affirmed its stable outlook for Greece, keeping the respective credit rating unchanged at BB, despite the expected negative impact of the COVID-19 crisis on economic activity, the fiscal and external sector developments. The continuing implementation of the structural reform agenda and the improvement of the medium-term growth potential are prerequisites for a future upgrade.

CESEE

Cyprus: The volume of non-performing exposures (NPEs) remained broadly unchanged in February, bringing the stock of NPEs down by 67.2% over the period from December 2014 to February 2020. Loan exposures expanded by €92mn in February. As a result, the ratio of NPEs remained unchanged on a monthly basis at 27.9% in February, down from 30.3% in December 2018 compared to 43.7% in December 2017, 47.2% in December 2016, 45.8% in December 2015 and 47.8% in December 2014. Recall that according to the EBA conservative definition, a restructured NPE is still classified as an NPE for a probation period of at least 12 months, even if it is properly serviced without incurring new arrears. As a result, a large fraction of the restructured loans are still classified as NPEs (€4.898mn out of €5.299mn in February 2020).

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GLOBAL MARKETS

Stock markets

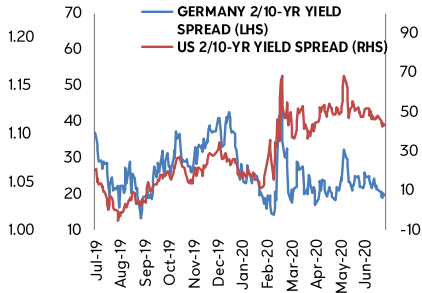
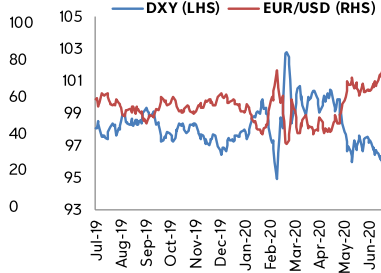
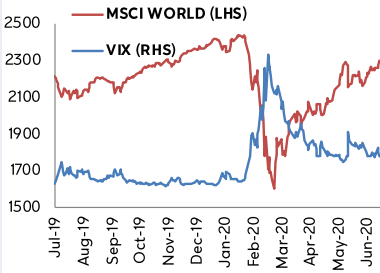
	Last	ΔD	ΔYTD
S&P 500	3215.63	-0.62%	-0.5%
Nikkei 225	22715.85	-0.2%	-4.0%
STOXX 600	367.29	-1.7%	-11.7%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1715	0.5%	4.5%
GBP/USD	1.2831	0.3%	-3.2%
USD/JPY	105.44	0.7%	3.0%

Government Bonds

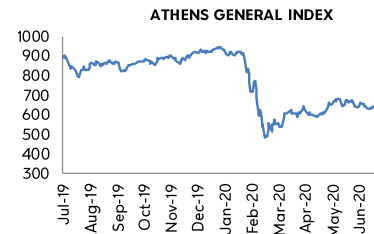
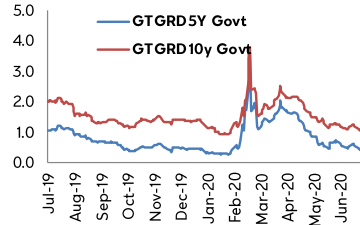
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.58	-1	-134
Bund-10yr	-0.45	0	-27
JGB - 10yr	0.02	0	3



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.44	0	-5
10Y Bond	1.06	0	-37
Δ(10YBund-10YGGB)	1.52	0	-10



EMERGING MARKETS

Stock markets

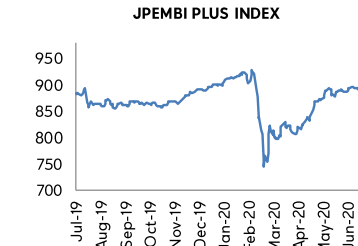
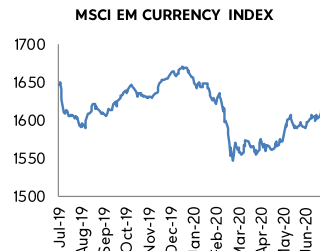
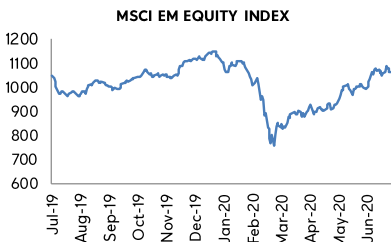
	Last	ΔD	ΔYTD
SOFIX	440.18	-0.1%	-22.5%
BELEX	663.56	2.2%	-1723.0%
XU100	119201.60	0.1%	1031744.0%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.4026	0.1%	-3.4%
EUR/RSD	117.599	0.1%	0.1%
USD/TRY	6.8479	0.0%	-13.1%

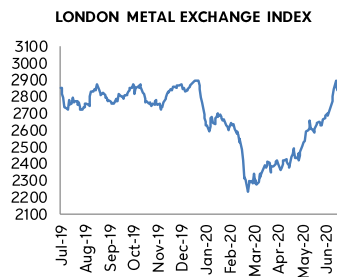
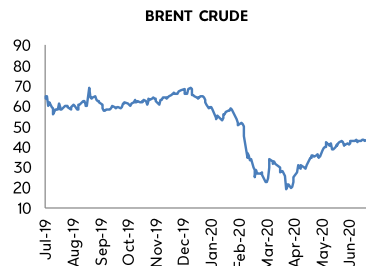
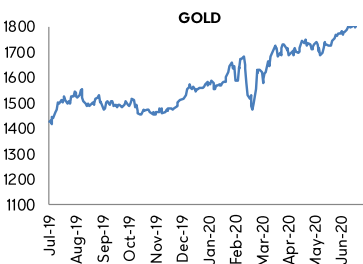
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.50	-6	37
BG 8Y yield	Invalid Security		
PL 10Y yield	1.35		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1935	1.7%	27.5%
BRENT CRUDE	43	-0.4%	-34.6%
LMEX	2852	-1.3%	0.3%



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