

# GLOBAL & REGIONAL DAILY

## HIGHLIGHTS

January 27, 2020

### Global Markets

Risk-off sentiment prevailed in early trade today as investors get increasingly anxious about the economic impact of the coronavirus outbreak amid recent evidence suggesting that the probability of the virus spreading outside China is increasing. Safe-haven assets, including the JPY gained, pushing the USD/JPY to a three-week low of 108.72 earlier today before recovering to levels slightly above 109.00. USTs and German Bunds firmed, while in the EMU periphery, Italy outperformed on receded risks of snap elections after the centre-left won yesterday's regional election in Emilia-Romagna. Elsewhere, oil prices fell on concerns over reduced demand as a result of the coronavirus outbreak, with Brent crude moving below \$60 a barrel earlier today for the first time since early November 2019.

### Greece

On Friday 24 Jan, Fitch upgraded Greece's Long-Term Currency Issuer Default Rating (IDR) to 'BB' from 'BB-' with a positive outlook. According to the Fitch report, the main drivers behind the upgrade are summarised as follows: Improving debt sustainability underpinned by political stability, sustained GDP growth and repeated over-performance against fiscal targets. Other contributing factors according to Fitch are the resilient export sector, the positive prospects for domestic demand and the expected quicker pace of NPLs reduction. Fitch's upgrade brings Greece two notches below investment grade on the scale of this particular rating agency.

### CESEE

In the latest meeting minutes' release, the Monetary Policy Committee (MPC) of the Central Bank of Turkey (CBRT) assessed that maintaining a sustained disinflation process is key for lowering sovereign risk, lower long-term interest rates and stronger economic activity ahead. Thus, the current monetary policy stance remained consistent with the projected disinflation path. Recall that, the Central Bank of Turkey (CBRT) cut its key policy rate (KPR), the 1-week repo rate, by 75bps from 12.0% to 11.25% in mid-January, bringing the cumulative easing since July to 1,275bps. The inflation outlook improvement, despite the slightly stronger than anticipated year-end reading, improved agents' expectations and, along with a relatively stable lira, constitute the main drivers behind the Central Bank's decision.

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## GLOBAL MARKETS

### Stock markets

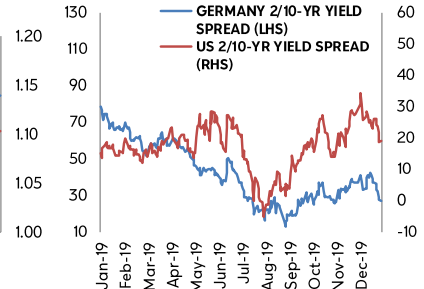
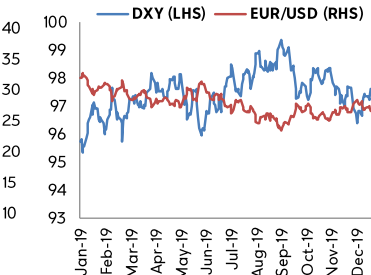
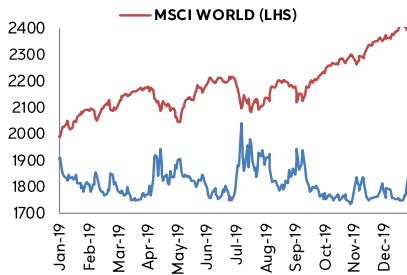
	Last	ΔD	ΔYTD
S&P 500	3295.47	-0.90%	2.0%
Nikkei 225	23343.51	-2.0%	-1.3%
STOXX 600	418.34	-1.3%	0.6%

### FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1031	0.1%	-1.6%
GBP/USD	1.3076	0.0%	-1.4%
USD/JPY	109.1	0.2%	-0.4%

### Government Bonds

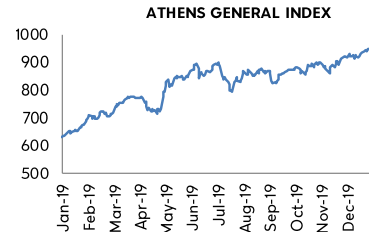
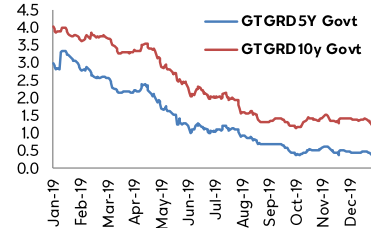
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.65	-3	-27
Bund-10yr	-0.34	-1	-16
JGB - 10yr	-0.04	-2	-3



## GREECE

### Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.33	-8	-16
10Y Bond	1.18	-11	-25
Δ(10YBund-10YGGB)	1.52	0	-10



## EMERGING MARKETS

### Stock markets

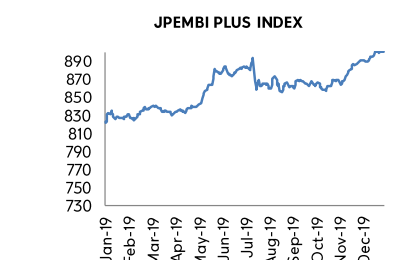
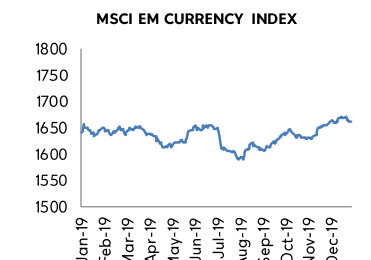
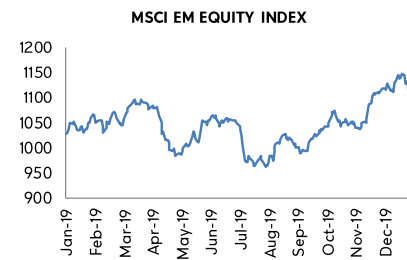
	Last	ΔD	ΔYTD
SOFIX	582.81	0.0%	2.6%
BELEX	800.73	0.1%	-12.0%
XU100	121651.60	-0.4%	631.6%

### FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.2638	-0.2%	-0.2%
EUR/RSD	117.453	0.1%	0.2%
USD/TRY	5.9422	-0.1%	0.1%

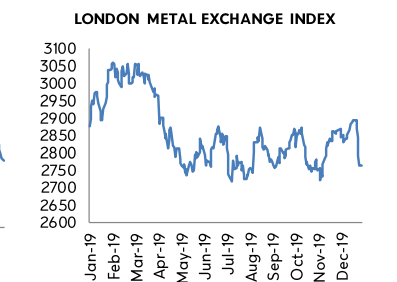
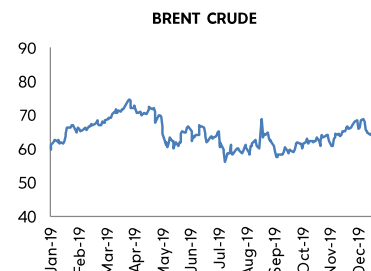
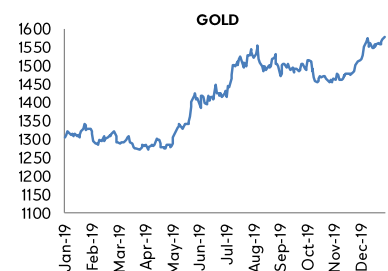
### Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	5.53	1	-60
BG 8Y yield	Invalid Security		
PL 10Y yield	2.22	-2	



## COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1577	0.4%	3.9%
BRENT CRUDE	60	-1.7%	-9.7%
LME	2764	-1.0%	-2.8%



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