

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

July 20, 2021

Global Markets

Risk-off mode prevailed in global markets on Monday, as increasing worries about the impact of the Delta variant on the global economic recovery drove global equities lower for the 5th consecutive session, the longest losing streak since the pandemic start. Safe-haven government bonds advanced with the 10-yr UST hovering around 5-month lows near 1.17% y-day, and the 2/10yr spread falling the most since early February, on fears for renewed lockdowns that led investors to push back the timing of future Fed Funds rate hikes. In FX markets, the JPY and the USD traded near multi month highs, while Brent oil prices stabilized around 67\$/bbl on Tuesday morning having dipped by ca. 7.5% y-day after the OPEC+ agreement. Asian shares extended their losses earlier today, while the 10-yr UST was trading somewhat higher around 1.20%.

Greece

According to the IMF Article IV Consultation Staff Report, public debt is projected to decline in the medium term but uncertainty is too high to allow for a firm conclusion on the sustainability of debt in the long term. External imbalances are significant and the pandemic could add further stress to bank and corporate balance sheets. Fiscal stimulus in 2022 should be more targeted and in line with an improvement in the fiscal policy mix in the medium term. Any over-performance caused by stronger than anticipated recovery, should be saved as a contingency buffer against future downside risks or contingent liabilities. On banks, the report views that 'Hercules' could reduce NPEs rapidly and stresses the importance of the Insolvency Code. Finally, the non-bank financial sector should be developed to support growth.

CESEE

Given the rather light economic calendar of the region during the current week, attention turns on the developments in the international relations and political front. As such, Bulgaria's President Rumen Radev will assemble tomorrow the newly-elected parliament following the July 11 snap general election in the effort to form a government. Turning to Serbia, President Aleksandar Vucic stated yesterday, after a new round of the EU-facilitated high-level talks, that the delegations of Serbia and Kosovo have failed to have a fruitful dialogue across all issues of the set agenda. On the data front, later today, the country's current account balance for May is due, while the respective figure for Bulgaria was released yesterday, pointing to some deterioration compared to the same period last year.

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GLOBAL MARKETS

Stock markets

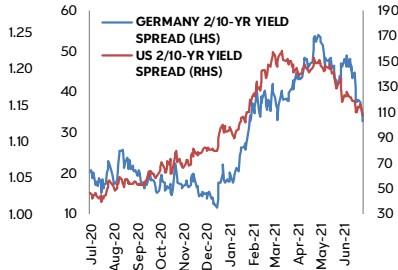
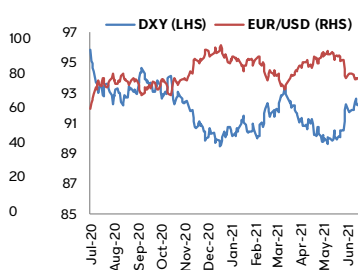
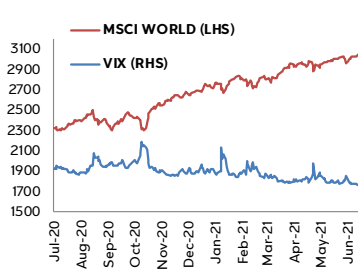
	Last	ΔD	ΔYTD
S&P 500	4258.49	-1.59%	13.4%
Nikkei 225	27388.16	-1.0%	-0.2%
STOXX 600	444.29	-2.3%	11.3%

FOREX

	Last	ΔD	ΔYTD
EUR/USD	1.1783	-0.1%	-3.6%
GBP/USD	1.3663	-0.1%	-0.1%
USD/JPY	109.46	0.0%	-5.7%

Government Bonds

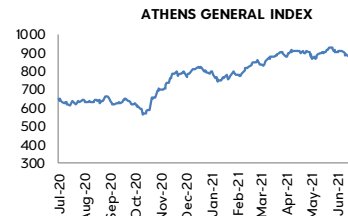
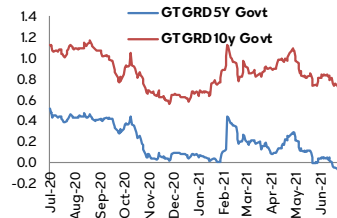
(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.19	0	28
Bund-10yr	-0.40	-1	17
JGB - 10yr	0.01	0	-1



GREECE

Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	-0.12	0	-20
10Y Bond	0.67	-1	5
Δ10YBund-10YGGB	1.07	0	-12



EMERGING MARKETS

Stock markets

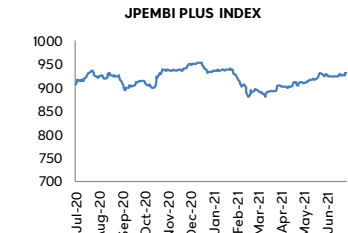
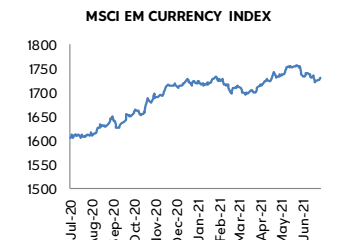
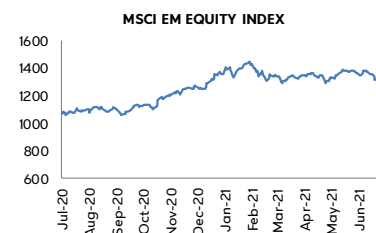
	Last	ΔD	ΔYTD
SOFIX	563.26	-0.5%	25.9%
BELEX	769.94	0.2%	284.9%
XU100	1351.59	-0.9%	-847.4%

FOREX

	Last	ΔD	ΔYTD
EUR/PLN	4.5984	0.0%	-0.8%
EUR/RSD	117.596	0.0%	0.0%
USD/TRY	8.5876	0.0%	-13.4%

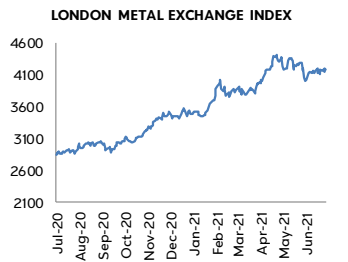
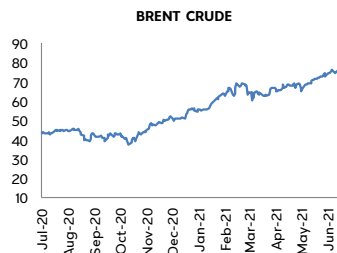
Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.09	-1	69
BG 8Y yield	Invalid Security		
PL 10Y yield	1.51		



COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1817	0.3%	-4.3%
BRENT CRUDE	69	0.6%	33.2%
LME	4096	-2.1%	20.0%



Source: Reuters, Bloomberg, Eurobank Economic Analysis and Financial Markets Research
Data updated as of 20.07.2021 09:22 EST

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