

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

May 28, 2020

Global Markets

The Recovery Fund Next Generation EU proposed by Commission President von der Leyen yesterday will worth €750bn, out of which €500bn will be distributed in the form of grants and €250bn as loans. The EC will borrow from markets on behalf of the EU and the funds will be repaid from 2028 to 2058 through future EU budgets. The Recovery Fund, coupled with the new EU budget for 2021-27 of about €1.1trn, the €100bn SURE programme, the €240bn ESM pandemic precautionary credit line and the €200bn EIB plan, will bring total fiscal stimulus to about €2.4trn. In reaction to the massive EU stimulus plan, global equity markets were firmer earlier today and EMU periphery sovereign bonds retained most of yesterday's hefty gains, while the EUR/USD remained supported, hovering slightly above 1.10 in early European trade.

Greece

The European Commission unveiled yesterday a new €750 bn recovery instrument Next Generation EU, which will be embedded in the long-term EU budget. The money from Next Generation EU will be invested through €500 bn in grants and €250 bn in loans to Member States. According to EC Vice President Margaritis Schinas, Greece will be allocated €33.4 bn, which for Greece amounts to another NSRF package. He added that the recovery funds along with the regular NSRF for the next seven years "will double the amount Greece has available for the next seven years, compared to the past." According to the initial estimations of the Ministry of Finance, the package for Greece will include c. €22.5 bn in grants. The 10-YR GGB yield hit an intraday low of 1.57% yesterday, the lowest in near two months.

CESEE

Bulgaria: Regarding the EC's EUR750bn new instrument Next Generation EU, targeted in assisting the EU economies to recover from the Covid-19 pandemic, Bulgaria's contribution will amount to EUR3.3bn, while the country will receive more than the quadruple, i.e. ca EUR15bn under the form of grants and loans in the 2021-2024 period. The net economic support will amount to EUR11.7bn, or 19.3% of its GDP, placing Bulgaria among the most assisted countries, along with Croatia. However, prior to implementation, the EC's plan for the recovery fund has to be approved by all EU member states, with possible objections by some. Serbia: The Ministry of Finance raised RSD 7.7bn in 2-year bonds y-day. The initial target of the auction was RSD23.9bn, but the Ministry capped the issuance at RSD7bn with investors placing bids for RSD7.7bn.

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GLOBAL MARKETS
Stock markets

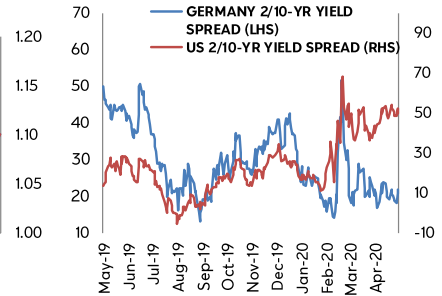
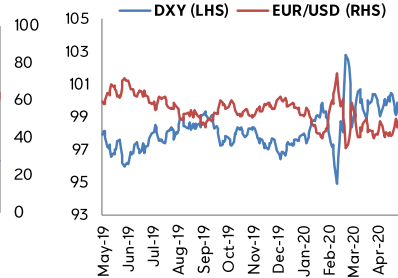
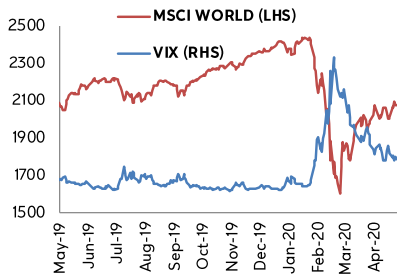
	Last	ΔD	ΔYTD
S&P 500	3036.13	1.48%	-6.0%
Nikkei 225	21916.31	2.3%	-7.4%
STOXX 600	352.95	0.9%	-15.1%

FOREX

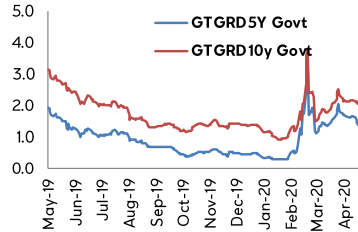
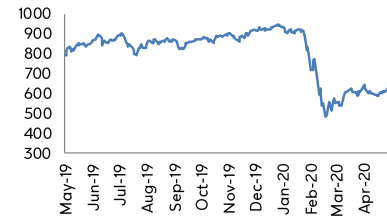
	Last	ΔD	ΔYTD
EUR/USD	1.1002	0.0%	-1.9%
GBP/USD	1.2257	0.0%	-7.5%
USD/JPY	107.82	-0.1%	0.7%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	0.68	0	-124
Bund-10yr	-0.41	0	-23
JGB - 10yr	0.00	0	1


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	0.93	-1	44
10Y Bond	1.56	-1	13
Δ(10YBund-10YGGB)	1.97	0	35


ATHENS GENERAL INDEX

EMERGING MARKETS
Stock markets

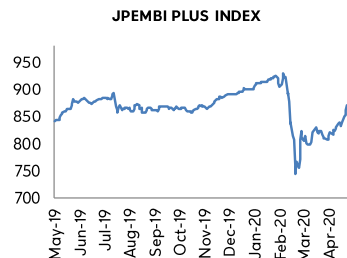
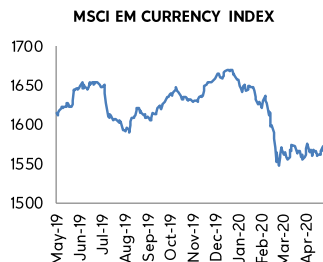
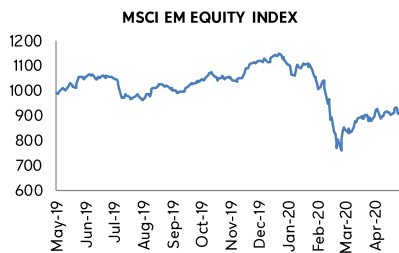
	Last	ΔD	ΔYTD
SOFIX	452.92	0.0%	-20.3%
BELEX	669.22	0.0%	-1652.4%
XU100	105869.50	0.9%	-747.7%

FOREX

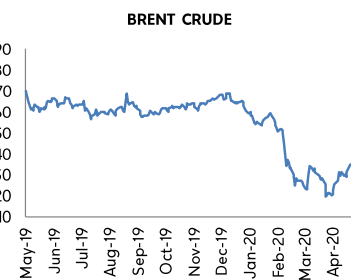
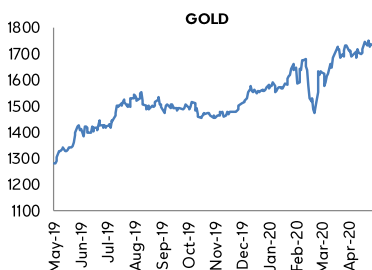
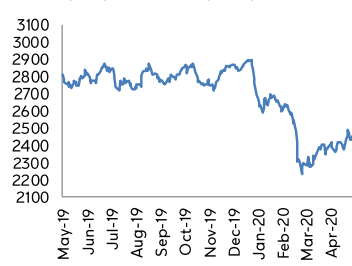
	Last	ΔD	ΔYTD
EUR/PLN	4.4244	0.1%	-3.8%
EUR/RSD	117.597	0.0%	0.1%
USD/TRY	6.7946	-0.3%	-12.4%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	7.11	-7	98
BG 8Y yield	Invalid Security		
PL 10Y yield	1.37		


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1719	0.6%	13.3%
BRENT CRUDE	34	-2.1%	-48.5%
LMEX	2420	-1.5%	-14.9%


LONDON METAL EXCHANGE INDEX


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