

# GLOBAL & REGIONAL DAILY

October 5, 2023

## Global markets

Sovereign bond yields retreated yesterday on both sides of the Atlantic after the release of the US ADP employment report, which showed that the private sector added 89k jobs in September, the slowest pace of growth since January 2021 and well below market expectations, down from an upwardly revised 180k figure in August. Weak data releases on services ISM may also had an impact, as the headline index fell from to 53.6 in September from 54.5 in August, with the new orders subcomponent falling to its lowest so far this year (51.8 from 57.5 in August). As a result, 10yr UST yields stood at 4.73%, and 10yr Bund yields at 2.94% earlier today, both down from yesterday's multi-year highs at 4.88% and 3.02% respectively. The DXY index stood at 106.8 earlier today, down from Tuesday's 11-month high at 107.3. Meanwhile, oil prices fell sharply yesterday amid concerns about the global growth outlook, but they ticked up marginally earlier today, on news that the OPEC+ ministerial panel will maintain output cuts.

## Greece

According to S&P Global, the PMI manufacturing index receded to 50.3 in Sep-23 (43.4 in the Euro Area), from 52.9 in Aug-23 (43.5 in the Euro Area), recording its lowest value since the start of the year. Nevertheless, it remained above the boom-bust 50 threshold for the 8th month in a row. Based on the S&P's press report, the decrease of the PMI index reflects a weakening external and domestic demand, with the latter affected by the severe weather conditions in Sep-23. In other soft data releases, the Economic Sentiment Indicator (EC and IOBE) decreased to 108.0 in Sep-23 (long-term average at 100), from 111.2 in Aug-23, posting its lowest value since May-23. Regarding the performance of its five sub-indices, the highest decreases were recorded in consumers (7-month low) and in construction (8-month low).

## CESEE

In Poland, the Monetary Policy Council (MPC) proceeded yesterday to the second straight key rate cut, by 25bps, to 5.75%, following the 75bps cut in September. The last cut is in line with market expectations, as the CPI inflation decelerated significantly in September, to 8.2%YoY from 10.1%YoY in August. On the other hand, the September cut triggered a sharp zloty (PLN) selloff (-3.5% against the EUR in one week, to PLN/EUR = 0.2147 in 12/9), which suggested that the next steps in relaxing monetary tightening should be milder. The MPC reasoned its decision on the basis of weak demand and cost pressures in the Polish economy according to the latest incoming data, as well as reduced inflation pressures from the global economy. In other news from the region, in the context of its Article IV mission, the IMF revised slightly downwards its GDP growth forecast for Romania in 2023, to 2.25% from 2.4%, on the basis of a steeper-than-expected negative impact of the energy inflation and indirect effects of the war in Ukraine on economic activity.

## Contributing Authors:

**Dr. Dimitrios Exadaktylos**  
Economic Analyst  
[d-exadaktylos@eurobank.gr](mailto:d-exadaktylos@eurobank.gr)

**Dr. Stylianos Gogos**  
Research Economist  
[sgogos@eurobank.gr](mailto:sgogos@eurobank.gr)

**Michail Vassileiadis**  
Research Economist  
[mvasileiadis@eurobank.gr](mailto:mvasileiadis@eurobank.gr)

## Research Team



**Dr. Tasos Anastasatos** | Group Chief Economist  
tanastasatos@eurobank.gr | + 30 214 40 59 706



**Dr. Dimitrios Exadaktylos**  
Economic Analyst  
v-dexadaktylos@eurobank.gr  
+ 30 214 40 63 449



**Dr. Stylianos Gogos**  
Research Economist  
sgogos@eurobank.gr  
+ 30 214 40 63 456



**Maria Kasola**  
Research Economist  
mkasola@eurobank.gr  
+ 30 214 40 63 453



**Paraskevi Petropoulou**  
Senior Economist  
ppetropoulou@eurobank.gr  
+ 30 214 40 63 455



**Dr. Theodoros Rapanos**  
Research Economist  
trapanos@eurobank.gr  
+ 30 214 40 59 711



**Symeoni – Eleni Soursou**  
Junior Economic Analyst  
ssoursou@eurobank.gr  
+ 30 214 40 65 120



**Dr. Theodoros Stamatou**  
Senior Economist  
tstamatou@eurobank.gr  
+ 30 214 40 59 708



**Michail Vassileiadis**  
Research Economist  
mvassileiadis@eurobank.gr  
+ 30 214 40 59 709

**More available research at:** <https://www.eurobank.gr/en/group/economic-research>

**Subscribe electronically at:** <https://www.eurobank.gr/el/omilos/oikonomikes-analuseis/forma-ekdilosis-entiaferontos>

**Follow us on twitter:** [https://twitter.com/Eurobank\\_Group](https://twitter.com/Eurobank_Group)

**Follow us on LinkedIn:** <https://www.linkedin.com/company/eurobank>

### DISCLAIMER

This report has been issued by Eurobank S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees. Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

