

# GLOBAL & REGIONAL DAILY

August 21, 2023

## Global markets

Ahead of the Fed Chair Powell's speech at the Jackson Hole symposium on Friday, risk-off sentiment prevailed earlier today amid market disappointment that the People's Bank of China cut rates by less than expected, while concerns about China's property market prevail. Meanwhile, investors realize that the Fed may hold rates higher for longer as US data continue to show a surprisingly resilient economy, with the Atlanta Fed's GDPNow estimate pointing to a growth rate of 5.8% for Q3 2023. Indeed, futures continue to suggest lower Fed rates by the end of this year, but they don't price-in fully a 25bps cut before the May 2024 meeting. The DXY USD index was slightly weaker earlier today, oil prices were firmer, recovering part of losses recorded late last week amid growth concerns over China, and 10-yr UST yields opened higher, standing, though, below last Thursday's ten-month high near 4.33% that was hit in the aftermath of the minutes from the July FOMC meeting which revealed concerns about significant upside risks to inflation.

## Greece

According to the Jan-Jul-23 State Budget Execution preliminary data, the overall fiscal balance posted a deficit of €1.44bn, improved by 38.0% compared to the respective 2023 Budget monthly target. The primary fiscal balance recorded a surplus of €3.56bn, improved by 94.3% compared to the target. State budget revenue amounted to €37.15bn, registering an increase of €5.72bn (18.2%) compared to the target, whereas tax revenue increased by €2.35bn (7.5%). The revenue overperformance was mainly due to the overperformance of the tax revenue (including past and current year income tax revenue and VAT revenue) compared to their targets and secondarily on the income from rescheduling the payment of the road duties (€0.47bn) until February 2023 (instead of December 2022). State budget expenditure amounted to €38.58bn, registering a decrease of €1.42bn (-3.6%) compared to the target.

## CESEE

Inflation in Bulgaria continues to move on a downward trend, following the latest July's print. CPI came in at 8.5%YoY from 8.7%YoY in June, despite the uptick in the food prices component which spiked to 13.5%YoY from 13.3%YoY in the previous month, halting a seven-month declining streak (26.6%YoY in Nov-2022). Modest optimism is also spurred from the Q2 flash GDP as it expanded by 0.4%QoQ in seasonally adjusted terms in Q2, the same pace with Q1. The economy continued to avoid recession despite the high energy prices and the broader unfavourable external environment but based on the decelerating annual GDP print (+1.8%YoY in Q2 from +2.1%YoY in Q1 in seasonally adjusted terms) a gradual deceleration trend is spotted. Turning to data releases, this week's calendar is rather lightweight, with focus turning primarily on labour market data, such as unemployment and wages, in Croatia, Hungary, Poland and Serbia.

## Contributing Authors:

**Paraskevi Petropoulou**  
Senior Economist  
[ppetropoulou@eurobank.gr](mailto:ppetropoulou@eurobank.gr)

**Dr. Theodoros Stamatiou**  
Senior Economist  
[tstamatiou@eurobank.gr](mailto:tstamatiou@eurobank.gr)

**Maria Kasola**  
Research Economist  
[mkasola@eurobank.gr](mailto:mkasola@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 Stamatiou**  
Senior Economist  
tstamatiou@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-endaiferontos>

**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.

