

GLOBAL & REGIONAL DAILY

January 25, 2023

Global markets

The eurozone composite PMI rose for the third consecutive month in January to 50.2 from 49.3 in December, marking the first reading in expansionary territory since summer 2022 on an improvement in both sectors. Along similar lines, the US composite PMI rose to a slightly higher than expected 46.6 in January, while input prices surprised to the upside in both sectors. In spite of the January improvement, the index remained below the threshold of 50 for the seventh consecutive month, while, according to a separate release yesterday, the Richmond Fed manufacturing index dropped to a lower than expected -11 in January, reinforcing market worries over a US recession by the middle of the year. Turning to markets, most of Asian bourses continued with their rising streak today, though futures point to a weak opening for European and US equity markets. Sovereign bonds gained on both sides of the Atlantic, oil prices took a turn lower and the EUR/USD made a renewed attempt towards 1.09 ahead of German's IFO survey today.

Greece

According to the Q3-22 quarterly non-financial sector accounts released yesterday by ELSTAT, total investment in current prices stood at €31.2bn in Q1-22 to Q3-22, printing a strong increase of 33.2% YoY. 62.0% of the said increase is attributed to the component of change in inventories (71.5% YoY) and the remaining 38.0% to the component of fixed investment (17.7% YoY). The big rise in inventory investment can be explained by the increase in the prices of raw materials but also by the ongoing fixed investment projects in the context of the RRF recorded in the accounts as unfinished capital goods. As a percentage of nominal GDP, total investment stood at 20.1% in Q1-22 to Q3-22 (12.6% fixed investment and 7.4% inventories investment) from 17.5% a year before (12.5% fixed investment and 5.0% inventories investment). Given that total saving increased by 1.5ppts of nominal GDP in Q1-22 to Q3-22 (12.7%) the widening of the external deficit is mostly attributed to the component of inventory investment.

CESEE

According to data published earlier this week, economic activity in Poland seems to have further slowed down in Nov-22. Seasonally adjusted industrial production expanded on an annual basis by 4.9%, from 7.6% in Oct-22 and even higher (2-digit growth rate) throughout the first three quarters of 2022. The November reading was the smallest since Mar-21. The slowdown came mainly from manufacturing (increase by 6.1%YoY against 9.6%YoY in October), followed by mining-quarrying (to 1.4%YoY from 4.4%YoY). In the retail trade sector, the seasonally adjusted volume of sales rose by 5.3%YoY, below the 5.8%YoY October print, also the slowest pace since Mar-21. The deceleration of sales came mainly from clothing-footwear (to 7.2%YoY in Nov-22 from 18.9%YoY a month ago) and food-beverages-tobacco products (to 1.9%YoY from 4.8%YoY), because of the rampant inflation, that reached a multi-year high in Oct-22 (17.9%YoY).

Contributing Authors:

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Dr.Stylios Gogos
Research Economist
sgogos@eurobank.gr

Michail Vasseiliadis
Research Economist
mvasseiliadis@eurobank.gr

Research Team



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



Dr. Dimitris 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



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-endaferontos>
Follow us on twitter: 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.

