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Global markets

According to the second estimate, US Q2 GDP was revised lower by 0.3ppts to an annualized rate of 2.1% after downward revisions to private inventories and non-residential fixed investment, while both PCE and core PCE were also revised down at 2.5% and 3.7% respectively. Separately, the ADP report showed that the private sector generated 177k jobs in August, the smallest gain in the last five months and down from an upwardly revised 371k figure in the prior month. In reaction to yesterday's weak US data, USTs firmed ahead of today's US personal income and PCE for July, while, on the flip side, Bunds lost some ground after mildly stronger than expected preliminary August inflation figures from Germany and Spain shifted the implied probability of a 25bps ECB rate hike at the 14 September policy meeting slightly above 50%. In FX markets, the USD extended recent losses with the DXY index moving further below last week's fresh peak of 104.45, helping the EUR/USD to briefly rise above 1.09 ahead of today's Eurozone flash August CPI print.

Greece

According to ELSTAT, the overall industrial producer price index (PPI) – a measure of the average movements of prices received by domestic producers for goods and services sold in the domestic and the foreign markets – in July 2023 decreased by 8.6% YoY (increased by 1.4% MoM) because of a decrease in the Energy producer prices by 17.2% YoY. All the other sub-indexes recorded an increase in the said period. The PPI in the foreign (non-domestic) market decreased by 16.0% YoY while the respective domestic market index decreased at a slower pace, at 5.9%. For the domestic market index, the decrease was mainly driven (in NACE Rev.2 terms) by lower prices of the petroleum products (-30.4% YoY) and electrical equipment (-8.7% YoY) sub-indices. The average overall PPI in the twelve-month period (August 2022-July 2023) increased by 6.7% YoY, reflecting the inflationary pressures during the said period.

CESEE

In a modest decoupling tone with the economic sentiment indicator in the EU and the EA which both remain in a soft patch since January, regional sentiment appeared broadly improved in August with only a couple of economies marking meagre deterioration. In detail, based on the survey results released yesterday by the EC, the improvement of the ESI extended from all CEE3, Czechia, Hungary and Poland, to the two Baltics, Latvia and Estonia, also covering Romania and Bulgaria with the index deteriorating in Croatia and Serbia. Regarding the latter, we base the ongoing abatement since March to the political turmoil in the country which resulted in the incumbent President, Aleksandar Vucic, stating repeatedly his readiness for early elections in Serbia upon demand of the opposition.

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