ISSN: 2241-4851

Eurobank Research

EUROBANK

GLOBAL & REGIONAL MONTHLY

The global economy entered Q4 with positive momentum, as shown in the latest PMI survey. However, uncertainty surrounding the outlook is high. A key factor is the significant probability of a Republican clean sweep, which could lead to major changes in global growth prospects, especially in trade, if Donald Trump follows through on his economic policy commitments. Meanwhile, the global effort to combat inflation has largely been successful, paving the way for major central banks to move towards a less restrictive monetary policy stance. However, following this long-anticipated policy shift, the IMF is cautioning that a shift in fiscal policy is also needed, citing the increasing risks linked to rising global public debt.

Macro Picture

USA: another strong GDP growth performance in Q3 led by an acceleration in consumer spending

EA: GDP unexpectedly accelerated in Q3 but unclear if this signals the start of a robust recovery

China: imminent fiscal stimulus lurks over the growth outlook following Q3 GDP growth print

Japan: governing coalition loses overall majority in October elections

CESEE: GDP flash estimates for Q3 point to divergences in growth dynamics

Markets

FX: USD bulls profited from strong momentum in last month, now consolidating as "Trump trades"

Rates: higher levels and flattening pressures last month; volatility higher before the US elections

EM: sovereign spreads were resilient, but with diminishing liquidity before the US elections

Credit: Q3 earnings mixed so far

Policy Outlook

USA: risks skewed toward the Fed easing in 2024 less than projected in September's SEP

EA: Q3 GDP and October's inflation data should keep the ECB cautious on cutting rates

Japan: BoJ keeps policy rate at meeting on hold but suggests on course for more hikes soon

CESEE: with fiscal consolidation underway, space for counter-cyclical measures appears limited

Key Downside Risks

DM & EM: economic fragmentation from additional trade tariffs; further escalation in regional conflicts; sharply higher commodity prices and market-based inflation expectations; monetary policy remains restrictive for longer; climate related disasters

Contributing Authors:

Marcus Bensasson
Research Economist
mbensasson@eurobank.gr

Maria Kasola
Research Economist
mkasola@eurobank.gr

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurbank.gr

Michail Vassileiadis
Research Economist
mvassileiadis@eurobank.gr

Special thanks to the Global Markets team (Global_Markets_Trading@eurobank.gr).

Contents

Macro Views 3

World Economic Outlook 3

Developed Economies..4

Emerging Economies..5

Markets View...6

US...8

China 9

Japan 10

Euro area 11

Germany...12

France 13

Italy..14

UK 15

Cyprus 16

Bulgaria 17

Turkey 18

CESEE...19

Eurobank Macro Forecasts..................................20

Eurobank Fixed Income Forecasts 21

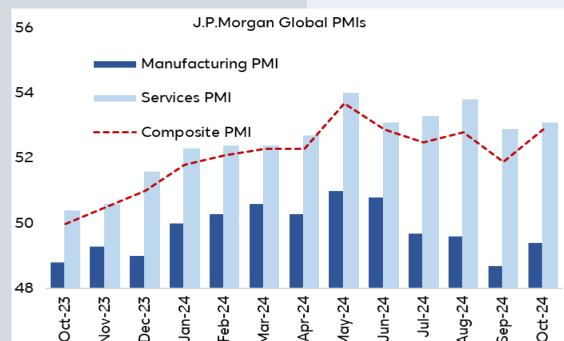
Research Team...22

Macro Views

The significant likelihood of a Republican clean sweep poses risks to global growth prospects; the pace of rate easing by major CBs varies across countries

As evident in the latest PMI survey, the global economy entered Q4 with positive momentum, largely driven by the surprisingly strong performance of the US economy. This optimism persists despite continued weakness in the global manufacturing sector, which showed its fourth consecutive month of contraction in October (+0.7pts to 49.4). In fact, global growth is primarily driven by the services sector, particularly financial services, which continued to demonstrate sustained strength for the 21st consecutive month. The respective PMI index rose 0.2pts to 53.1, remaining comfortably above the threshold of 50. As a result, the October composite PMI rose to 52.3, up from 51.9 in September, indicating continued expansion for the 12th month in a row and a solid global growth pace of around 2.8%, not far below its historic average. However, there is significant uncertainty regarding the global growth outlook. A key factor is the strong possibility of a Republican clean sweep after the US presidential election on November 5, by also winning the House of Representatives alongside flipping the Senate. That could lead to substantial shifts in global growth prospects, especially in trade, if Donald Trump follows through with his economic policy agenda. His proposed increases in import tariffs — by 10-20% on all US imports and 60% on Chinese goods — along with potential retaliatory measures from trade partners, could have major implications for global trade, business sentiment, and investment flows, especially for economies that rely heavily on exports to the US. Additionally, the likelihood of a more expansionary US fiscal policy would raise concerns about fiscal sustainability and potentially limit the Fed's room for policy easing, especially if Trump's proposals for stricter immigration policies are enacted. The potential for further escalation in regional conflicts, which could lead to new supply chain disruptions, poses additional risks to global growth.

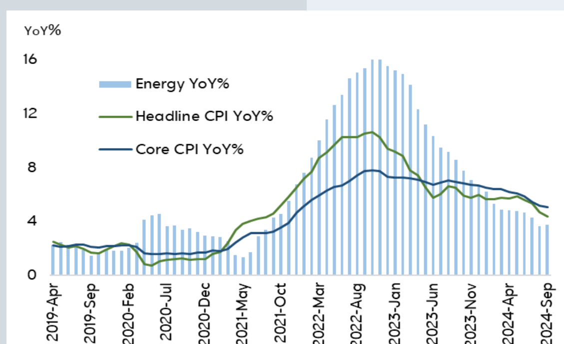
Figure 1: Global economy entered Q4 with positive momentum



Source: Bloomberg, Eurobank Research

Meanwhile, the global effort to combat inflation has mostly been successful, with both headline and core inflation substantially lower than their peaks in 2022. In September, headline inflation eased further (OECD

Figure 2: Global headline and core inflation substantially lower than their peaks in 2022



Source: OECD, Eurobank Research

index rose 4.4%YoY, compared with 4.7%YoY in August), primarily driven by a further decline in consumer energy prices. At the same time, easing supply disruptions and weaker demand have led to a sharp drop in goods inflation. However, services inflation, while gradually decreasing, remains too elevated compared with pre-pandemic levels, especially in countries with tight labour market conditions and high wage growth. As a result, core inflation has declined more slowly than the headline (OECD index rose 5.1%YoY, slightly less than August's 5.2%YoY), but expectations are for further moderation as an anticipated shift in global demand away from services and back toward goods should help ease job market conditions, as services are more labour intensive.

Progress on inflation paved the way for major central banks to pivot toward a less restrictive stances for monetary policy. Expectations are for further rate easing ahead aimed at bringing rates closer to neutral. However, the pace of these reductions varies across countries, depending on the level of growth concerns and the confidence in the timely return of inflation back to target. After the long-anticipated shift in central banks' monetary policy, focus should now turn to a shift in fiscal policy. In its latest semi-annual Fiscal Monitor report (October 2024), the IMF urged governments to prioritize debt sustainability and rebuild fiscal buffers to safeguard long-term public finances and financial stability. The Fund projects global public debt to reach an all-time high of $100trn (or 93% of GDP) this year, primarily driven by China and the US, and could approach 100% of GDP by the end of the decade, with risks surrounding these projections heavily skewed to the upside.

Developed Economies

US: Supported by an acceleration in goods spending, personal consumption expenditures (PCE) were the primary driver of Q3 GDP, contributing 2.5ppts to the 2.8% annualised growth rate, slightly below Q2's 3.0% but above the 2.4% average in H1. However, there are emerging headwinds that suggest a potential moderation in consumer spending ahead, consistent with expectations for a soft landing for the US economy. Additionally, labour market conditions are showing signs of loosening. Meanwhile, disinflation appears to be losing steam, as core PCE held steady at 2.7%YoY in October, defying expectations for a modest decline. Given this backdrop, the risk is growing that the Fed may deliver fewer rate cuts in 2024 than indicated in September's SEP.

Euro area: Economic activity showed unexpected strength in Q3, with GDP growth accelerating from 0.2%QoQ in Q2 to 0.4%QoQ. Nevertheless, it may still be premature to declare the start of a solid economic recovery. Notably, growth was partially supported by one-off factors. At the same time, risks to the growth outlook remain, as suggested by recent high-frequency indicators which continue to come in weak. Moreover, there seems to be little room for a significant boost to investment from lower rates, given the sluggish export environment and the low-capacity utilisation rate in industry. On the inflation front, headline HICP increased to 2.0%YoY in October, up from September's 1.7%YoY and core inflation was unchanged at 2.7%YoY against expectations for a 0.1ppts decline. A 25bps cut at the December 12 meeting is widely anticipated, but stronger than expected inflation combined with accelerating GDP growth is likely to keep the ECB cautious about further rate easing in the coming months.

Emerging Economies

EM: aside from the US election, which has a worldwide impact, among the events of October that attracted substantial attention in the emerging markets sphere was the 16th summit of the BRICS held in Kazan, Russia. While there was increased symbolism around this year's summit given it was the first to be expanded, following the inclusion of four new countries since January 1, 2024, this did not translate into any substantial progress in terms of the issues at stake among the club members. Specifically, one of the key topics of the summit was the development of a new payment and transactions system with the ultimate goal to progressively and sizably substitute the US dollar as the essential transactional currency. Yet following the completion of the summit, this target proved rather optimistic given the lack of common interests in this direction across the group. Elsewhere, October's World Economic Outlook by the IMF held no major revisions in the growth forecasts. Growth in emerging markets and developing economies remained unchanged from July's WEO forecasts at 4.2% for 2024 and is expected to remain steady in 2025. However, risks are skewed to the downside given the intensification of geopolitical pressures and growing economic fragmentation.

CESEE: there is a lack of a common trend in the Q3 2024 GDP flash estimates for the region, with Czechia outperforming the EU average (0.3%QoQ and 0.9%YoY) and Hungary returning to recession. In Czechia, growth held almost firm in quarterly terms (0.3% vs 0.4% in Q2 and Q1) and picked up to 1.3%YoY from 0.6%YoY and 0.4%YoY in Q2 and Q1 respectively, which translates to a 0.8%YoY growth rate for the first nine months of the year. In Hungary, GDP contracted by 0.7% in both quarterly and annual terms compared to -0.2%QoQ/1.3%YoY and 0.4%QoQ/1.6%YoY in Q2 and Q1 respectively. That brings the nine-month average growth rate to 0.6%YoY and indicates that the current market consensus for a growth rate close to 1.5% will most probably be revised downwards soon. Forward-looking data for October, such as the manufacturing PMIs moved in tandem with growth in Q3 in both economies. Poland's Q3 flash estimate is due in mid-November. If October's PMI is indicative of expansion in the same way as for Czechia and Hungary, then the growth rate should be similar or better than in Q2, since the manufacturing gauge rose in September to its highest level since April 2022.

Markets View

Foreign Exchange

EUR/USD: the bearish momentum of the last month brought the pair below 1.08, before experiencing a cautious rebound towards 1.09 shortly ahead of the US elections. Technically, a break below 1.0762 could pave the way for a downward push towards 1.068, while further bearish momentum could potentially target the 52-week low near 1.06. Support levels include 1.0654, 1.0601 and 1.0547, while resistance levels include 1.1012, 1.1067 and 1.1121. Implied volatility for 1M, 6M and 9M currently at 8.405%, 7.0375% and 6.69% re-spectively.

USD/JPY: experienced a rebound from the recent low around 140, to around 154 after the US elections, favouring "buy-the-dip" carry traders. The sentiment for the bullish market bias came both from long USD "Trump trade" forces as well as from the volatile political scene in Japan. If the USD continues to strengthen, a break above 154.37 could potentially target the 157 territory. Technicals also on a bull run – currently RSI (30) shows 55.569 and indicates a technically set mid-term bullish area, while the MACD signals a bullish crossover. Support levels include 148.33, 147.58 and 146.83 and re-sistance ones 155.91, 156.68 and 157.45. Implied volatility for 1M, 6M and 9M currently at 13.305%, 11.875% and 11.18% respectively.

Rates

EU: swap rates moved relatively higher across the curve during the last month. In particular, the 5yr swap rate stood at 2.38% on November 4 and the 10yr swap rate at 2.43%, while in the long end the 30yr swap rate was 2.18%. The slope of the curve faced flattening pressures, with the 5s-30s segment of the swap curve moving relatively lower by 16bps, standing at -22bps as of November 4.

US: rates moved relatively higher last month. As of November 4, the 5yr treasury yield rose 35bps and stood at 4.15%, while the 10yr treasury yield gained 32bps and stood at 4.29%. The curve faced flattening pres-sures before the US elections – the 5s-30s segment of the curve lower by 8bps and stood at -14bps as of November 4.

Emerging Markets Sovereign Credit

EM sovereign spreads were resilient, but with liquidity being light before the US elections and with geopo-litical risks rising. As of November 4, the EMBI Global Index was 20bps tighter from the end of September, standing at 300bps. In Central Europe, Serbian and Bulgarian bonds outperformed their peers, with 10yr EUR spreads tightening by 23bps and 20bps respectively during this time period, with the former also get-ting an investment grade rating upgrade from S&P on October 4. In the middle East, Israeli external debt

traded very poorly before the anticipated retaliation to the Iranian missile attack. The country's 5yr CDS reached new highs at 165bps but tightened sharply to 135bps after the retaliation proved to be much more restrained than expected. In Latam, US bond spreads ended slightly wider with Mexican sovereign spreads underperforming as fiscal issues remain under the spotlight. The 10yr USD Mexican asset swap was at 213bps as of November 4, 13bps wider than at the end of September. We were cautious on adding EM risk as spreads were tight and uncertainly and volatility were picking up ahead of the US elections.

Corporate Credit

October proved to be a weak month for markets, with bonds and equities losing ground across the board. This was partly due to US employment and inflation data that continued to surprise on the upside, leading to a somewhat improved economic outlook and in turn, a dialled back likelihood of rapid Fed rate cuts that hurt sovereign bond performance. Politics were also in focus ahead of the US elections, while geopolitical developments were also in the spotlight following turmoil in the Middle East. In the US, bonds were under pressure and equities ended mildly negative amid rising expectations of a Re-publican sweep scenario and increasing focus on fiscal policy (S&P 500 -0.6% from the end of September to November 4, despite +0.7% gains for the Magnificent 7 amid mixed financial results). Meanwhile the UK struggled following the Budget announcement, which included additional borrowing, and Europe also lost ground (Stoxx 600 -2.1%, DAX -0.4%, CAC 40 -2.7%). On the central bank front, the ECB delivered a 25bp rate cut in October as expected. In geopolitics, there was a significant spike in oil prices after Iran launched a missile strike against Israel and OPEC+ delayed an output hike, with Brent crude prices ending a run of three consecutive monthly declines in October.

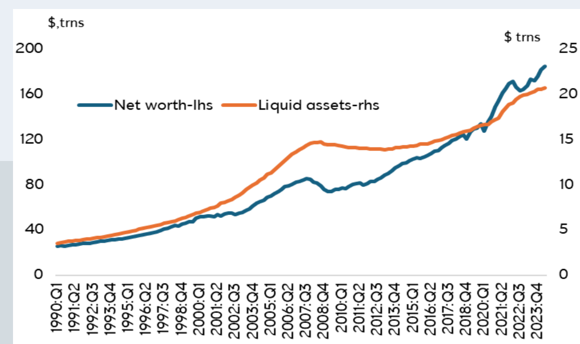
In credit, both European and US synthetics ended flattish from the end of September to November 4, with EU outperforming slightly compared with the US. Since the beginning of October, Main tightened by -0.5bps while Xover closed +1.2bps wider (vs. CDX IG +0.3bps, CDX HY +3.2bps). Cash remained well supported, despite decent activity in the primary market. In EUR Corporate cash, IEAC closed +2.5bps between the end of September and November 4, with IHYG -13bps during the same period. Sector-wise, Energy as a notable underperformer among IG names (+7.4bps October-to-date) while Financials outperformed. In High Yield, Technology outperformed (-84bps), while Materials was the biggest laggard (+10bps). The European primary market saw reduced activity, with total issuance in October at almost €138bn from more than €180bn in September. There was no activity in the first few days in November, amid a holiday in Europe and as markets were in a wait-and-see mood before the US elections.

US

Solid GDP growth in Q3 fuelled by strong consumer spending

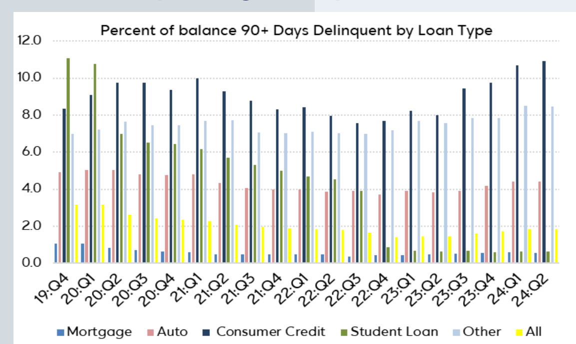
Strong consumer spending continues to drive underlying demand, reflecting gains in household purchasing power from payroll income (average hourly earnings growth accelerated to 4.5% 3m saar in October) and solid household fundamentals (net worth reached $184.5trn in Q2 2024, up about 40% from pre-pandemic levels). Retail sales surprised to the upside with a 0.4%MoM rise in September, building on a series of solid summer readings, while the positive momentum is expected to persist into Q4 partly fuelled by Amazon's Prime Big Deal Days Sale in early October. The September headline strength was driven by the control group category — key for the BEA's goods spending estimate — which rose 0.7%MoM, continuing a streak of solid monthly gains that averaged 0.5%MoM from May through August. Notably, supported by an acceleration in goods spending, personal consumption expenditures (PCE) were the primary driver of Q3 GDP, contributing 2.5ppts to the 2.8% annualised growth rate, slightly below Q2's 3.0% but above the 2.4% average in H1. A more telling indicator of underlying momentum, private domestic final purchases (PDFP), rose by an annualised rate of 3.2% in Q3, up from 2.7% in Q2. However, there are emerging headwinds that suggest a potential moderation in consumer spending ahead, consistent with expectations for a soft landing for the US economy. The student loan delinquency rate is expected to rise sharply following the expiration of a one-year grace period on September 30, while credit card delinquencies remain elevated. Additionally, labour market conditions are showing signs of loosening. Non-farm payrolls rose by just 12k in October, and the figures of the prior two months were revised lower by 112k cumulatively, bringing the 3mmavg to 104k from around 250k earlier this year. However, these figures may overstate the deterioration in labour market conditions, as disruptions from the two recent hurricanes and the Boeing strike have skewed the data. In addition, the labour market differential in the October CB consumer confidence survey rose to 18.3% from 12.7%, marking the first improvement since January. Meanwhile, disinflation appears to be losing steam, as core PCE held steady at 2.7%YoY in October, defying expectations for a modest decline. Given this backdrop, the risk is growing that the Fed may deliver fewer rate cuts in 2024 than indicated in September's Summary of Economic Projections (SEP).

Figure 3: Household wealth on a strong trajectory



Source: Federal Reserve, Eurobank Research

Figure 4: Headwinds should keep a lid on consumer spending in the period ahead



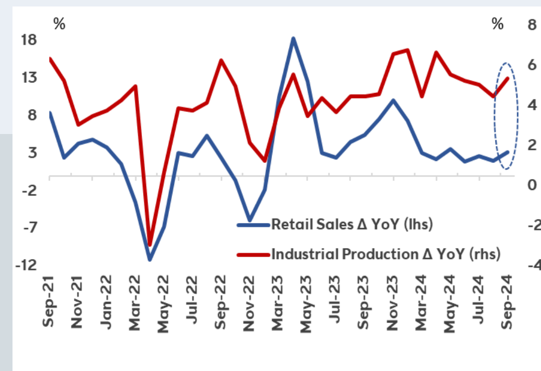
Source: Federal Reserve Bank of New York, Eurobank Research

China

Focus on the fiscal policy announcements of the NPC Standing Committee

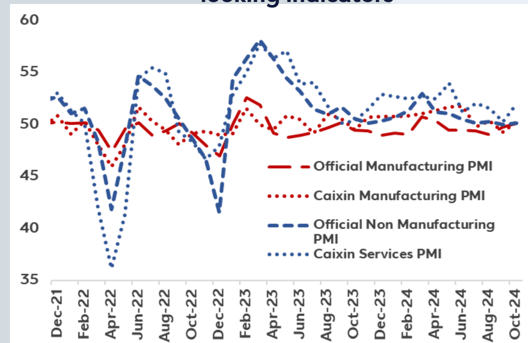
Economic growth in Q3 2024 came in at 4.6%YoY, which was a tad higher than the 4.5%YoY market consensus but still the slowest pace of expansion in six quarters. In the first nine months of the year GDP grew 4.8%YoY, following 4.7%YoY and 5.3%YoY growth prints in Q2 and Q1 respectively. As such, the achievement of the "around 5.0%" growth target for FY2024 requires the rate of expansion to jump to ca 5.5%YoY in the current quarter, which is rather optimistic. However, recent high frequency data point to some improvement in the economy, which remains to be seen whether it will hold the current momentum, following a series of mixed economic data throughout 2024 so far. Industrial production rose 5.4%YoY in September compared to a 4.5%YoY increase in August, while retail sales grew 3.2%YoY that month, more than the 2.1%YoY increase in July. Markets expected industrial production to rise by 4.6%YoY and retail sales 2.5%YoY in August. The even brighter surprise came from the real estate sector as residential property sales rose by 7.1%YoY to CNY435.5bn in October 2024, marking the first growth since May 2023. Seemingly, the policy deliberations at play since July, when the Third Plenum took place, have started to kick in by drawing buyers back to the housing market. Additionally, all PMI indices improved in October with both the manufacturing ones – official and Caixin – returning to grounds above the 50 benchmark that separates contraction from expansion. All the non-manufacturing indices, especially the Caixin arm, moved into expansionary territory after sitting on the neutral 50 spot in September. Despite the improved sentiment, which is backed by the policy in flux, and data, as outlined above, deflationary pressures surged unexpectedly in September. Underlying the lingering fragility, CPI growth slowed to 0.4%YoY (the smallest increase in three months; down from 0.6%YoY in August, with the market consensus for the rate to remain unchanged) and PPI fell -2.8%YoY (the biggest drop in six months; -1.85YoY in August, -2.6%YoY market consensus). Continuing policy delivery remains of utmost importance, and for this reason attention has turned to the National People's Congress (NPC) Standing Committee, held November 4-8, where policies on the four areas of local government debt restructuring, property market stabilisation, bank capital injection and support for domestic demand will be announced.

Figure 5: High frequency data point to some improvement in the economy ...



Source: Bloomberg, Eurobank Research

Figure 6: ..and similar is the trend in the forward looking indicators



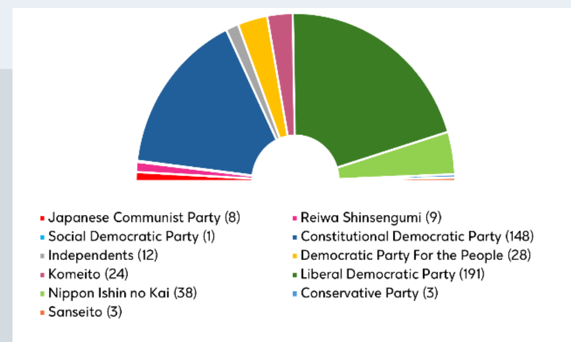
Source: Bloomberg, Eurobank Research

Japan

Election backfires on prime minister as ruling coalition loses majority

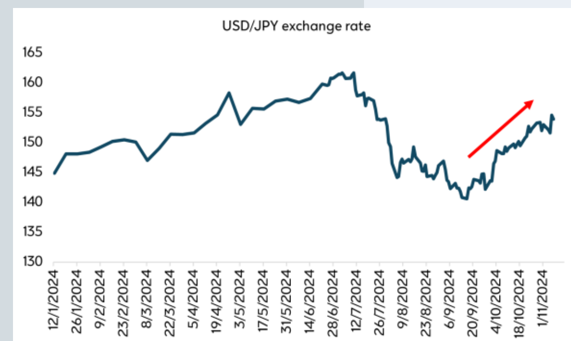
Prime Minister Shigeru Ishiba's decision to quickly call snap elections after winning the premiership backfired as his ruling coalition lost its overall majority. Ishiba called the election after succeeding Fumio Kishida as leader of the Liberal Democratic Party (LDP) – which has ruled Japan almost continuously since 1955 but for two short interruptions – banking on his personal popularity to secure a fresh mandate and draw a line under a funding scandal in the LDP that contributed to his predecessor standing down. While some losses were expected, Ishiba had set a goal of keep enough seats in the 465-member parliament to retain a majority along with the LDP's junior coalition partner, Komeito. Instead, the LDP lost 68 seats to return 191 MPs, while Komeito returned eight fewer lawmakers in 24. That left them with a combined 215 seats, 18 short of the 233 target, and it's already put Ishba's future as prime minister in some doubt, barely a month after he assumed office. It's also left the 28-seat Democratic Party for the People (DPP) in the role of potential kingmaker ahead of a parliamentary vote on the premiership that's likely to take place on November 11. The DPP's leader, Yuichiro Tamaki, has said his party won't join the coalition but could cooperate if they can agree with the LDP on policies. This poses some complications for the Bank of Japan's monetary tightening course, since Tamaki said in an interview after the election that the central bank should not hike again before March, and that nominal wage growth should be 2% above inflation. For its part, the BoJ left its policy rate unchanged at 0.25% after its October 31 meeting, but comments by Governor Kazuo Ueda in the press briefing after the meeting that the central bank was on course to hit its inflation target indicated that the central bank will probably resume more rate hikes soon. Surveys of BoJ watchers suggest that most expect this will come by its January meeting, while futures markets are pricing in a 78% probability of a 25bps hike by then. Meanwhile, the central bank is also pressured by a new round of yen weakening as a result of the "Trump trade" around US presidential election, as well as due to the political uncertainty resulting from Japan's own election. USD/JPY has appreciated around 10% from its recent low recorded on September 16, and stood at around 154 as of November 7.

Figure 7: The LDP and Komeito together returned 215 MPs, falling short of the 233 target



Source: Internal Affairs Ministry, Eurobank Research

Figure 8: The USD/JPY rate has appreciated around 10% since its recent low in September



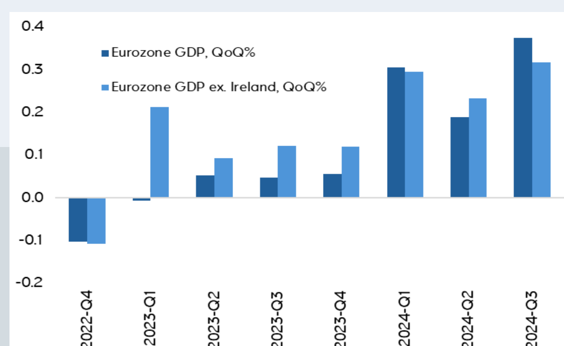
Source: Bloomberg, Eurobank Research

Euro area

GDP and inflation rebound should keep the ECB cautious in cutting rates

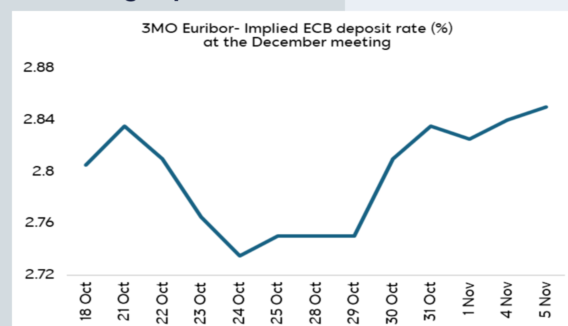
Economic activity showed unexpected strength in Q3, with GDP growth accelerating from 0.2%QoQ in Q2 (0.6%YoY) to 0.4%QoQ (0.9%QoQ). The breakdown of the GDP components is not yet available. However, based on individual EA countries, it appears that, in contrast to the growth patterns observed in H1, private consumption played a key role in driving growth, as rising real disposable income and a gradual recovery in consumer sentiment over the past year have probably started to have an impact. Undoubtedly, the much firmer than expected Q3 GDP print indicates that fears of an imminent recession were overstated. Nevertheless, it may still be premature to declare the start of a solid economic recovery, as the underlying momentum is likely weaker than the headline figure suggests. Notably, growth was partially supported by one-off factors. Ireland's volatile GDP (2.0%QoQ vs. Q2's -1.0%QoQ) contributed significantly to the overall result, and without this, Eurozone output would have grown by just 0.3%QoQ. Additionally, France's stronger than expected performance (0.4%QoQ) was partly attributable to the Olympic Games. At the same time, risks to the growth outlook remain, as suggested by recent high-frequency indicators which continue to come in weak. The composite PMI rose by 0.4pts to 50 in October, indicating that the economy entered Q4 in a state of stagnation, while economic sentiment deteriorated in October for the second straight month reaching a six-month low of 95.6. In addition, households continue to save (Q2 savings rate at a three-year high of 15.6%) suggesting that the anticipated recovery in consumption may be limited in the period ahead. Moreover, there seems to be little room for a significant boost to investment from lower rates, given the sluggish export environment and the low-capacity utilisation rate in industry (at a four-year low of 76.9% in Q3). On the inflation front, headline HICP increased to 2.0%YoY in October, up from September's 1.7%YoY, driven by higher food (+0.5ppts to 2.9%YoY%) and oil prices (+1.5ppts to -4.6%YoY). Some of the upside also came from core inflation which was unchanged at 2.7%YoY against expectations for a 0.1ppts decline. Services inflation remained at 3.9%YoY, while core goods inflation edged up 0.5ppts to 0.5%YoY. A 25bps cut at the December 12 meeting is widely anticipated, but stronger than expected inflation combined with accelerating GDP growth is likely to keep the ECB cautious about further rate cuts in the coming months.

Figure 9: Ireland's volatile GDP contributed positively to EA's strong Q3 economic output



Source: Eurostat, Eurobank Research

Figure 10: Investors have dialed back ECB rate easing expectations for December 2024



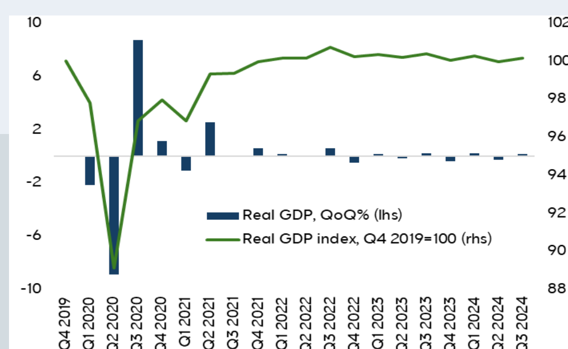
Source: Bloomberg, Eurobank Research

Germany

The economy seems stuck in a rut; three-party coalition government dissolved

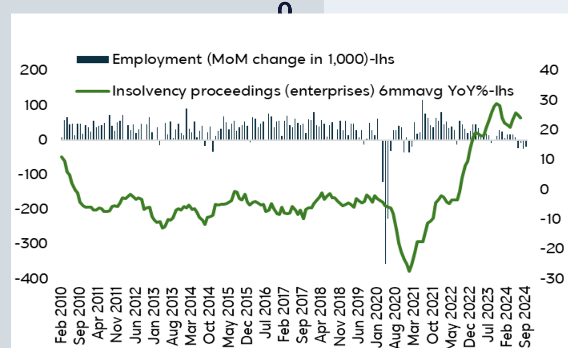
The pattern of alternating negative and positive quarterly GDP growth prints continued in Q3, with the economy unexpectedly expanding 0.2%QoQ following a downwardly revised Q2 contraction of 0.3%QoQ (from -0.1%QoQ). Consequently, a technical recession was avoided, driven by positive contributions from both private and public consumption, according to the Federal Statistical Office. Despite this growth, the economy remains only marginally above pre-pandemic levels and there is considerable uncertainty about whether the Q3 positive surprise marks the start of a robust economic rebound. Indeed, corporate and consumer-related indicators show early signs of stabilisation. Both the Ifo business climate index and the composite PMI broke their four-month declining streak, rising in October (+0.1pts and +1.1pts, to 86.5 and 48.6, respectively), while the GfK Consumer Climate index surged in November to a 2½ year high (+2.7pts to -18.3). However, most high frequency indicators continue to be well below their historical averages. Additionally, structural and cyclical headwinds continue to weigh on the industrial sector which is in its deepest downturn since the establishment of the Federal Republic, sitting c. 15% below its 2017 peak, while real income gains are being further undermined by deteriorating labour market conditions, compounded by rising bankruptcies. On the political front, tensions within the three-way coalition (SPD, Greens, FDP) escalated recently over the federal 2025 budget, leading to the official dissolution of the government in early November. The government's revised GDP growth forecast for 2024 and 2025 (to -0.2%YoY and 1.1%YoY, respectively, from 0.3%YoY% and 1.0%YoY), combined with lower tax revenue projections (€9bn for 2024) and (€13bn for 2025) widened the expected budget shortfall by €1.5bn to €13.5bn. Although this gap is not that large in absolute terms, it had triggered significant divisions within the coalition, particularly regarding the debt brake policy. In response, Chancellor Olaf Scholz dismissed Finance Minister and leader of the FDP Christian Lindner. For now, he intends to lead a minority government with the Greens and plans to call a confidence vote in parliament on January 15. Should the government lose the vote, a constitutional process will be triggered, requiring the President to dissolve parliament and call for new elections within two months. According to recent polls, the centre-right CDU/CSU is leading followed by the populist AFD and the centre-left SPD.

Figure 11: Unexpectedly strong GDP in Q3, but growth remains barely above pre-pandemic levels



Source: Destatis, Eurobank Research

Figure 12: Weakening labour market conditions are further exacerbated by rising bankruptcies



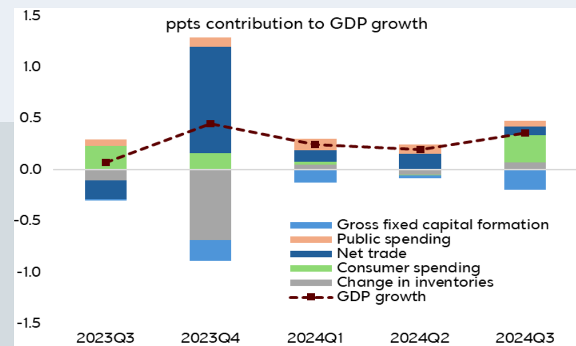
Source: Destatis Eurobank Research

France

Q3 Olympics boost conceals weak underlying GDP growth momentum

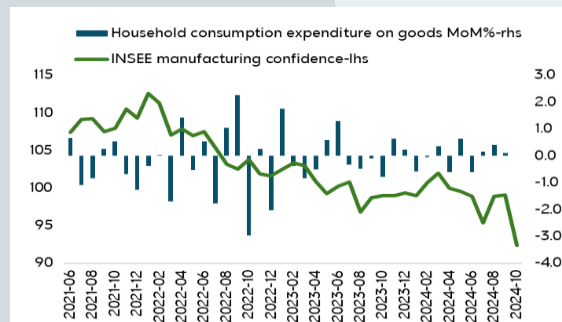
The pace of growth in economic output accelerated slightly more than expected in Q3, rising to 0.4%QoQ from 0.2%QoQ in the previous quarter. This rebound was primarily due to a temporary boost from the Summer Olympics, which may have overstated the underlying growth momentum. The Olympics' impact, driven by ticket sales and broadcasting rights sold abroad, was particularly evident in consumer spending which increased 0.5%QoQ compared to 0.0%QoQ in Q2, largely supported by services. INSEE noted in its press release that about half of the rebound in consumer spending was linked to the consumption of recreational services associated with the Olympics. Government spending also positively contributed to Q3 GDP growth (+0.1ppts), along with net exports (+0.1ppts), as exports declined less than imports (-0.5%QoQ vs. -0.7%QoQ) thanks to firm exports of services (+1.8%QoQ) that were supported by the sales of TV rights abroad and managed to partially offset the drop in manufactured goods exports (-1.7%QoQ). Inventories also made a modest positive contribution to GDP growth (+0.1ppts), while gross fixed capital formation fell for the fourth consecutive quarter (-1.3%QoQ), mainly due to weakness in transport equipment investment affected by the new European General Safety Regulation for vehicles. Overall, taking into account the effect of the Olympics on Q3 GDP, the underlying growth momentum seems less solid than the headline print suggested. That said, GDP growth is expected to sharply fall in Q4 to 0.0%QoQ, with full-year growth projected at 1.1% as the boost from the Olympics will fade. Uncertainty surrounding the 2025 budget, which envisions significant fiscal tightening (c. 1.2% of GDP) for a deficit target of 5.0% from an estimated 6.1% of GDP in 2024, adds to concerns. Signalling a deterioration in underlying economic growth momentum in late Q3/early Q4, household goods consumption decelerated to 0.1%MoM in September from 0.4%MoM in August. The composite PMI fell 1.3pts to a nine-month low of 47.3 in October, and the INSEE business confidence indicator plunged by 6.7pts to 92.4, the sharpest monthly fall since late 2008 (excluding the pandemic period). Meanwhile, the Finance Commission of the Assembly continues to review the revenue side of the draft budget before it scrutinises the second part on spending, with press reports suggesting that adopted amendments imply a looser fiscal stance of around 0.2ppts of GDP.

Figure 13: GDP rebound in Q3 primarily driven by the Olympics-related boost in consumer spending



Source: INSEE, Eurobank Research

Figure 14: Hard and soft data points to weakening growth momentum in Q4



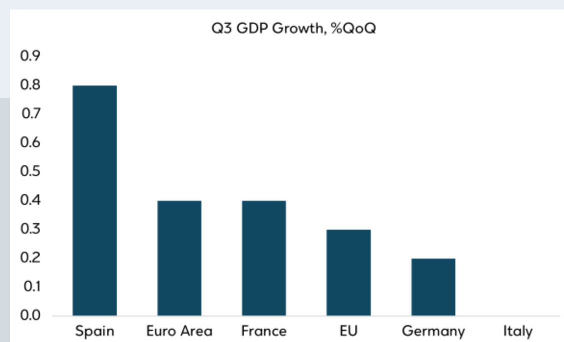
Source: INSEE, Eurobank Research

Italy

Disappointing GDP data bucks Eurozone trend in Q3

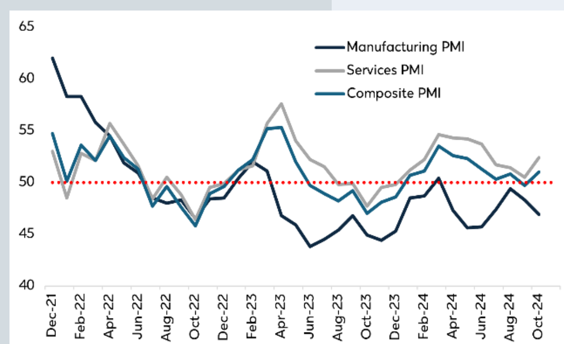
Italy found itself in the unenviable position in Q3 2024 of bucking the GDP trend among Eurozone nations as it's major-economy peers exceeded consensus expectation. GDP was flat in the quarter from Q2, compared with the consensus estimate that it would grow 0.2%QoQ, which would have been the same amount as the Q2 expansion. The preliminary release does not give a breakdown by component, though Istat noted in it that domestic demand contributed positively, while net exports were a drag on growth. On the production side, services contributed positively to value added, while there were decreases in agriculture, forestry and fishing and in industry. The disappointing print had been trailed by some weak business survey data showing that the economy has been losing momentum in recent months, with manufacturing and composite PMI both coming in below the 50-threshold that seperates expansion and contraction in September. The manufacturing PMI continued its deterioration in October, unexpectedly slumping 1.4pts to 46.9. However, an unexpectedly strong services PMI print for October, rising 1.2pts to 52.4, lifted the composite PMI back above 50, rising to 51 from 49.7 in September. On the inflation front, the headline EU-harmonised CPI increased more than expected in October, with the rate rising 0.3ppts to 1.0%YoY, while core inflation increased 0.1ppts to 1.9%YoY. Meanwhile, the government on October 16 announced it had approved a €30 billion budget plan including raising €3.5 billion from banks and insurance companies, mostly by suspending banks' deferred tax asset deductions for 2025 and 2026. The government projects in its fiscal plan that the budget deficit will drop to 3.8% of GDP this year from 7.2% in 2023, before narrowing further to 3.3% in 2025 and 2.8% the year after. That would bring it back into compliance with the EU's rules and out of the EDP that it was placed under in June. However, the International Monetary Fund cast doubt on whether the government will meet those targets in its latest Fiscal Monitor, released last month, in which it sees the budget deficit remaining above 3% of GDP throughout the forecast horizon that ends in 2029. Instead, the IMF sees the deficit narrowing to 4% this year, then to 3.8% and 3.5% in 2025 and 2026 respectively.

Figure 15: Italian GDP stagnated in Q3, trailing the rest of the Eurozone's major economies



Source: Eurostat, Eurobank Research

Figure16: The manufacturing PMI plunged in October, but services ticked up



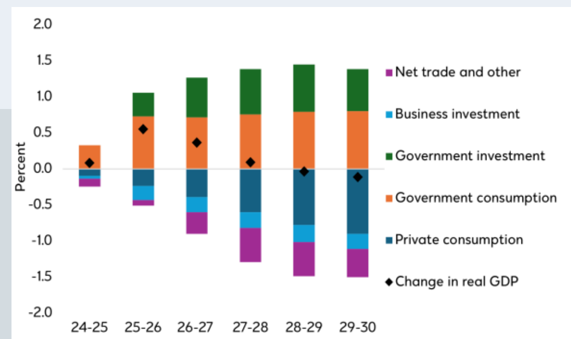
Source: S&P Global, Bloomberg, Eurobank Research

UK

Budget delivers increases in tax and spending, new fiscal framework

The UK's new government delivered a tax and spend budget on October 30 that sent bond yields higher as markets reasoned that it would result in more debt and the Bank of England easing monetary policy more slowly than it would otherwise. Finance Minister Rachel Reeves announced that taxes would rise by £40 billion per year – the biggest increase in more than 30 years – to partially fund a £70 billion per year increase in spending on infrastructure and public services. Following an electoral pledge not to increase the major taxes paid by working people – income tax, VAT and employee national insurance contribution – the bulk of the revenue increase comes from a hike on employers' national insurance contributions, rising by £25 billion per year by 2029/30. The government is also raising funds through increases in capital gains tax, inheritance tax and imposing VAT on private schools, among other measures. The budget plan commits an extra £100 billion to capital expenditure over the next five years, and has been endorsed by the IMF, which said an increase in public investment is needed to boost growth. It has been criticised by business groups that say the scale of the tax rises will be able to make fewer hirings.

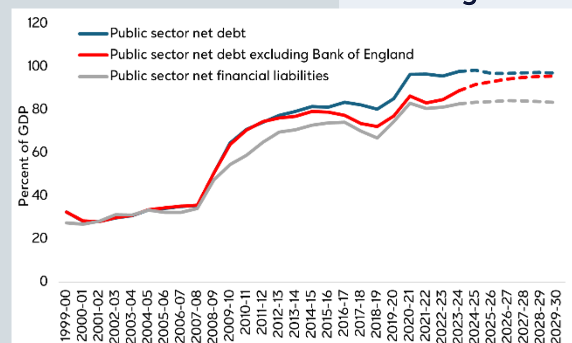
Figure 17: OBR says budget will add 0.6ppts to GDP in 2025-26, detract 0.1ppts in 2029-30



Source: OBR, Eurobank Research

To facilitate the increased investment, Reeves also changed the debt metric that the government will target, so that now public sector net financial liabilities (PSNFL) has to be falling as a share of GDP by 2029-30. Reeves also adopted a rule that the government will balance current expenditure with tax revenue by 2029-30. The Office of Budget Responsibility, in its assessment of the budget, estimated that PSNFL will rise to 83.9% of GDP in 2028-29 from 82.8% in 2023-24, before dropping to 83.4% in 2029-30, in line with the new rule. Gilts sold off after the announcements as bond markets factored in higher debt issuance and the prospect that the net fiscally stimulative effect of higher spending will mean a higher path for interest rates. As of November 6, the yield on 10yr Gilts was trading around 4.50%, about 20bps higher than before the budget after reaching a one-year high of 4.53% on November 5. The futures markets were pricing in a 97% probability that the Bank of England would cut the base rate by 25bps at its November 7 meeting, when this report was about to go to press. However, the amount of monetary easing priced in through June had fallen to 79bps, compared with 100bps before the budget.

Figure 18: Reeves has switched debt metric to PSNFL from PSND excl. Bank of England



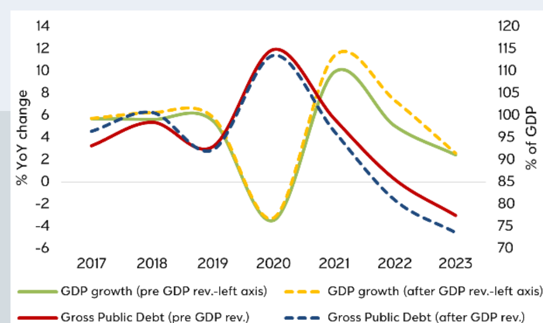
Source: OBR, ONS, Eurobank Research

Cyprus

Exports of services boost GDP growth, improve current account balance

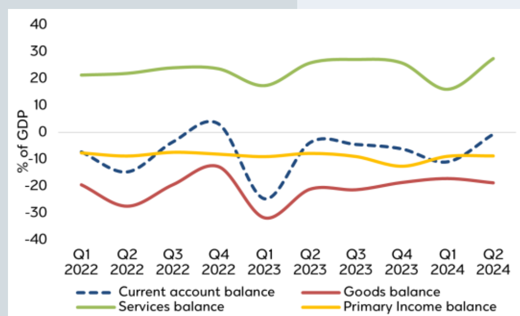
Based on the second GDP estimate for 2023 released in mid-October, cumulative real GDP growth in the years 2018-2023 was revised significantly higher, by 6.2ppts, reaching 33.6%. Among the GDP components, growth in 2018-2023 was mainly boosted by much stronger exports (+39.1%) and household consumption (+27.9%). The GDP revision had a positive impact on public debt dynamics, with the ratio to GDP decreasing 3.9ppts more in the period to 73.6% in 2023, compared with the previous estimate of 77.5%. This development, in combination with an overperformance in the budget execution (surplus of 4.1% of projected GDP in the first nine months of 2024, against a FY target of 2.8%) is expected to contribute to further credit rating upgrades for Cyprus. In October, Scope Ratings upgraded the country's long-term rating to A- from BBB+, mainly thanks to a strong fiscal outlook with sustained primary surpluses and declining general government debt, and robust economic growth, expected to remain above the eurozone average. Turning to short-term economic developments, inflation eased in September to 1.6%YoY from 2.2%YoY, matching its 39-month low in March 2024, on the back of falling energy prices globally, reflected in deflation in transport (-4.6%YoY in Sep-24 from -1.8%YoY in Aug-24) and housing-utility (-0.4%YoY from +0.4%YoY). However, the mild increases in the salaries of civil servants and public sector pensioners and the ending of government counter-inflation measures from October, are expected to moderate disinflation in the period ahead. The external sector continues to boost GDP, as tourist arrivals were 4.5%YoY higher in September, slightly above their January-August average (4.1%YoY), and the deficit in the goods balance narrowed 18.1%YoY in August, sustaining the up-to-now weakening in 2024, even if the one-off strong positive base effect in January is removed (deficit Feb-Aug 24: -4.0%YoY). A favourable base effect is expected in tourism in Q4, due to the hit from the Middle East conflict a year ago. Regarding recent trends in investment, real estate market activity weakened in September (transactions: -3.5%YoY) after near-stagnation in August (+0.3%YoY) and a strong spike in July (+21.7%YoY). Nonetheless, the January-September average remains positive (+1.0%YoY), and combined with geopolitics-related base effects here as well in Q4, a new, multi-year high is possible in 2024. Robust external sector dynamics and favourable prospects for consumption amid disinflation in Q4 lead us to revise our growth projection for 2024 up by 0.2ppts to 3.7%.

Figure 19: Improved GDP growth and public debt dynamics after the recent GDP revision



Source: Cystat, Eurobank Research

Figure 20: Strong improvement in the current account balance in Q2 exclusively from the services balance



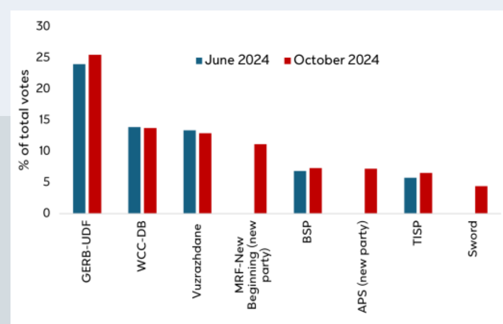
Source: Central Bank of Cyprus, Cystat, Eurobank Research

Bulgaria

Political uncertainty lingers, growth drivers of household consumption persist

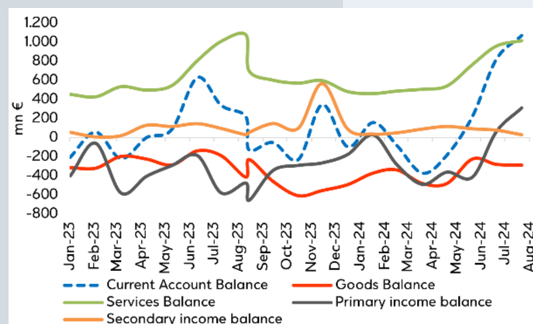
As expected, the October 27 snap elections have not led to the formation of a majority government. Such a development would ease the political uncertainty from failure to form a government after the June 2024 elections, although the country has held a series of parliamentary elections in the last 3.5 years not resulting in a stable government. With three of the four parties with the most seats in the previous elections retaining their parliamentary power with minor changes, while a faction of the former second party came in fourth place, an at least three-party agreement is needed to form a government. The mid-2025 eurozone entry aspirations and potential further delays to the absorption of RRF funds if the reforms attached to them are not implemented soon, could make parties more conciliatory this time. Furthermore, the 2025 State budget should be ratified soon, including measures to ensure a deficit below 3% of GDP in 2025, after its widening in Jan-Oct 24 to 2.0% of the projected full-year GDP, against a 0.8% of GDP deficit a year ago. Also, a big part of public spending in 2022-2023 was done in December, which, if repeated this year, could jeopardise achieving the 3.0% of GDP deficit target. That said, the scenario of a new political deadlock and new snap election remains highly possible. Turning to inflation developments, also affecting the evaluation of the country's ability to join the Euro, inflation decelerated to a 3.5-year low of 1.5%YoY in September from 2.4%YoY the month before, mainly due to base effects from transport prices that led to deflation in transport (-3.3%YoY from +1.4%YoY), whereas core inflation eased less (2.3%YoY from 2.9%YoY). Disinflation, in combination with increases in wages-pensions, boosts household consumption, with the increase in retail volume in September (5.4%YoY) exceeding an average 3.7%YoY rise in Jan-Jul 24. The ratification of a 15.4%YoY increase in the minimum wage as of January 2025 will support household demand next year but is also likely to mitigate disinflation. The expansion in industrial production remained sluggish in August (+0.8%YoY). The industrial sector has not benefited from the improved current account balance in 2024, as it came from a decline in primary income deficit, whereas exports of goods fall. The persisting mixed short-term dynamics in economic indicators and the resurgence of political uncertainty after the after the elections, keep our growth for 2024 at 2.2%.

Figure 21: : fragmentation in the political scene remains after the recent elections...



Source: Bulgarian Central Election Commission, Eurobank Research

Figure 22: Improved CAB mainly due to the primary income balance, less from exports of goods-services



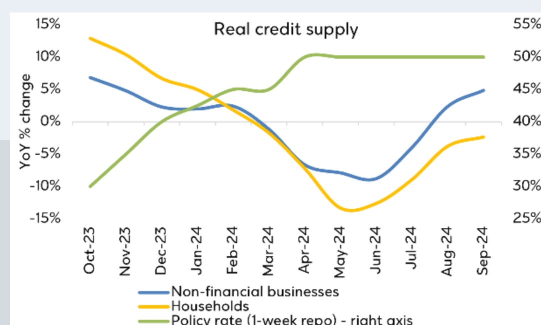
Source: Bulgarian National Bank, Eurobank Research

Turkey

Stalling disinflation makes case for further monetary policy tightening measures

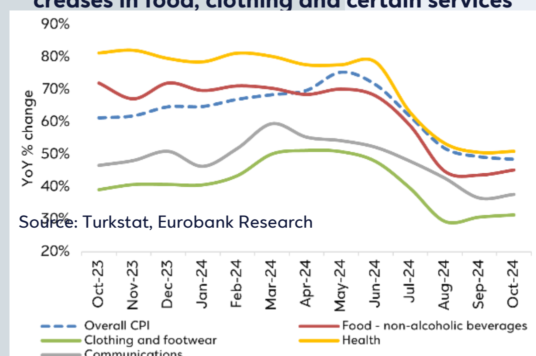
Against the hopes of the central bank of Turkey (TCMB), disinflation stalled in October, as the headline print decelerated by just 0.8ppts to 48.6%YoY. The monthly rate showed the same feeble dynamics, weakening to 2.9% from 3.0% the month before, almost double that required for the annual print to meet the TCMB's end-year target of 38%YoY. Given that only two months of data are left in the year, this target will probably be missed. The monthly spike came on the back of price increases mainly in food-non-alcoholic beverages (contribution of +1.1ppts), clothing-footwear (+1.0ppt), and housing-utility-water supply (+0.4ppts). Any monetary policy reactions to the waning disinflation are expected at the next MPC meeting on November 21. Although the reference to possible additional monetary tightening has been removed in the press releases from the last two meetings – with more focus on the further use of sterilisation tools if needed – another policy rate hike cannot be ruled out given the stubborn monthly inflation around 3.0% in July-October. Besides, the real (deflated) credit supply to non-financial businesses turned positive in August-September for the first time since February, and the real credit contraction to households weakened in June-September, falling to a seven-month low of 2.4%YoY in the last month from 13.3%YoY in May. Thus, the monetary tightening has eased sizably. Despite inflationary pressures and no mid-year minimum wage indexation, retail trade volume growth accelerated in August to 13.7%YoY from 7.7%YoY in July. The unemployment rate fell to 8.5% in the same month, a 12-year low, contributing to the retail sales expansion. Monetary tightening has driven the improvement in net exports of goods and services in 2024, as it is mainly based on falling goods imports. In August, the current account balance posted a surplus of $4.3bn against a surplus of just $489mn a year ago, with fewer imports of goods amounting to 94.1% of the increase. Exports of goods and services continued expanding, by 2.9%YoY and 5.7%YoY respectively, benefiting from the protracted lira devaluation. Measures to strengthen fiscal revenues enacted in August had a positive impact on tax receipts in September (+89.6%YoY from on average +69.6%YoY in January-August), leading to an improvement in the general government balance only for a second month in 2024 so far (deficit: -26.6%YoY). A solid improvement in the goods-services balance in July-August relative to Q2 and the resilience of retail sales amid persisting inflationary pressures lead us to revise our growth forecast for 2024 up by 0.2ppts, to 3.7%.

Figure 23: Despite severe monetary policy tightening, pressures on real credit supply eased in Q3…



Source: Central Bank of Turkey, Turkstat, Eurobank Research

Figure 24: …and disinflation stalled, due to price increases in food, clothing and certain services



Source: Turkstat, Eurobank Research

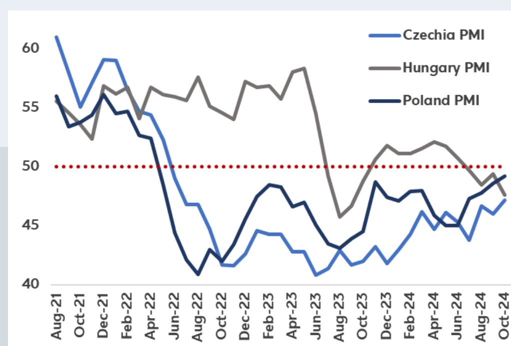
Source: Turkstat, Eurobank Research

CESEE

Growth dynamics diverge in Q3 GDP flash estimates

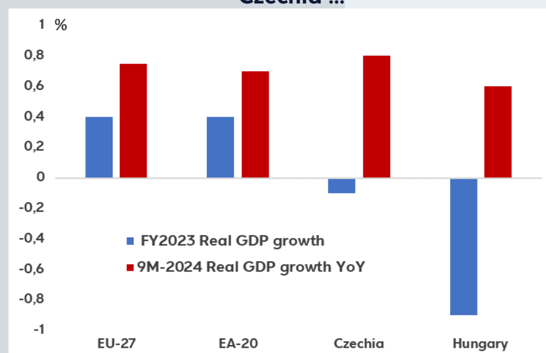
There is a lack of a common trend in the Q3 2024 GDP flash estimates for the region, with Czechia outperforming the EU average (0.3%QoQ and 0.9%YoY) and Hungary returning to recession. In Czechia, growth held almost firm in quarterly terms (0.3% vs 0.4% in Q2 and Q1) and picked up to 1.3%YoY from 0.6%YoY and 0.4%YoY in Q2 and Q1 respectively, which translates to a 0.8%YoY growth rate for the first nine months of the year. Both readings, annual and quarterly, stood slightly below market and institutional expectations, such as those of the National Central Bank and the Ministry of Finance, suggesting, possibly, that the impact of the stagnation of the German economy has not been factored yet in the projections of the latter. In Hungary, GDP contracted by 0.7% in both quarterly and annual terms compared to -0.2%QoQ/1.3%YoY and 0.4%QoQ/1.6%YoY in Q2 and Q1 respectively. That brings the nine-month average growth rate to 0.6%YoY and indicates that the current market consensus for a growth rate close to 1.5% will most probably be revised downwards soon. Forward-looking data for October, such as the manufacturing PMIs moved in tandem with growth in Q3 in both economies. In Czechia, it improved to 47.2 in October from 46.0 in September, coming in a bit stronger than anticipated, as markets projected the PMI at 46.5. It may be the highest reading since mid-2022, yet by looking into the subindices it is not comforting that the decline in export orders has not been halted and the volume of backlogs of work kept falling. In Hungary, the interpretation of the index was more straightforward as it dropped to 47.6 in October from 49.4 in September and so did most of the subcomponents of the proxy. The deterioration of the growth outlook of the country was also evident in the narrative of the S&P Ratings affirmation at BBB- with the outlook kept stable. In the scheduled late October credit review, the agency pointed out sluggish investments and the weak external demand for 2024 but also foresaw a growth rebound to 3.0% in 2025. Poland's Q3 flash estimate is due in mid-November. Assuming that the behavior of October's PMI is indicative of the growth pattern, as in Czechia and Hungary, then a growth print, at least similar if not improved to that of Q2, i.e. at the range of 3.0%-3.5%, should be anticipated given the uptick in the manufacturing gauge which rose to 49.2 from 48.6 in September, reaching the highest level since April 2022.

Figure 25: PMIs in CEE moving in tandem with..



Source: S&P Global, MLBKT, KHS, Eurobank Research

Figure 26: ..growth in Q3, at least for Hungary and Czechia ...



Source: Eurostat, Eurobank Research

Eurobank Macro Forecasts

	Real GDP (YoY%)			CPI YoY%, avg)			Unemployment rate (% of total labor force)			Current Account (% of GDP)			General Budget Balance (% of GDP)		
	2023	2024f	2025f	2023	2024f	2025f	2023	2024f	2025f	2023	2024f	2025f	2023	2024f	2025f
World	3.3	3.1	3.1	6.7	4.5	3.4									
Advanced Economies															
USA	2.9	2.6	1.9	4.1	2.9	2.3	3.6	4.1	4.3	-3.3	-3.5	-3.3	-6.5	-6.6	-6.5
Eurozone	0.4	0.7	1.2	5.5	2.4	2.0	6.6	6.5	6.5	1.7	2.8	2.7	-3.6	-3.1	-2.7
Germany	-0.3	-0.1	0.8	6.1	2.4	2.1	5.7	6.0	6.1	6.0	6.7	6.6	-2.6	-1.7	-1.5
France	0.9	1.1	0.9	5.7	2.3	1.7	7.3	7.5	7.4	-1.4	-0.5	-0.4	-5.5	-6.0	-5.3
Periphery															
Cyprus	2.5	3.7	3.8	3.9	2.1	1.6	6.1	5.0	4.5	-12.1	-5.4	-4.0	3.3	4.4	4.0
Italy	0.7	0.5	0.8	6.0	1.1	1.7	7.7	6.9	6.9	0.0	1.3	1.4	-7.2	-4.3	-3.6
Portugal	2.3	1.7	1.9	5.3	2.4	1.9	6.5	6.5	6.4	0.5	1.7	1.6	1.2	0.3	0.4
Spain	2.7	2.8	2.1	3.4	2.9	2.0	12.2	11.6	11.3	2.7	2.8	2.4	-3.5	-3.1	-2.9
UK	0.4	1.0	1.3	7.4	2.6	2.3	4.0	4.3	4.4	-2.0	-3.0	-2.8	-5.0	-3.7	-3.0
Japan	1.7	0.0	1.2	3.3	2.5	2.0	2.6	2.5	2.5	3.6	4.0	3.9	-5.2	-4.2	-3.5
Emerging Economies															
BRIC															
Brazil	2.9	2.2	2.0	4.6	4.2	3.5	8.0	7.2	7.4	-1.0	-1.5	-1.7	-8.9	-7.4	-6.6
China	5.2	4.8	4.4	0.2	0.5	1.5	5.2	5.2	5.1	1.8	1.3	1.1	-4.6	-4.8	-4.8
India	7.6	6.9	6.6	5.7	4.5	4.5		NA		-0.9	-1.1	-1.1	-5.8	-4.9	-4.5
Russia	3.6	3.3	1.6	6.0	7.5	5.2	3.2	2.7	3.0	2.5	2.8	2.8	-1.9	-1.6	-1.0
CESEE															
Bulgaria	1.8	2.2	2.9	9.6	2.5	2.0	4.3	4.4	4.1	-0.3	0.2	0.2	-1.9	-3.2	-2.9
Turkey	4.5	3.7	3.2	53.4	60.2	30.7	9.4	8.7	8.2	-4.1	-2.2	-1.3	-5.3	-5.0	-3.5

Sources: European Commission, World Bank, IMF, OECD, Bureaus of National Statistics, Bloomberg, Eurobank Research

Eurobank Fixed Income Forecasts

	Current	December 2024	March 2025	June 2025	September 2025
USA					
Fed Funds Rate	4.75-5%	4.24-4.5%	3.82-4.05%	3.46-3.7%	3.21-3.45%
3m SOFR	4.52%	4.35%	3.95%	3.59%	3.37%
2yr Notes	4.23%	3.68%	3.52%	3.37%	3.26%
10yr Bonds	4.4%	3.89%	3.81%	3.76%	3.74%
Eurozone					
Refi Rate	3.4%	3.15%	2.8%	2.5%	2.4%
3m Euribor	3.05%	2.94%	2.57%	2.33%	2.26%
2yr Bunds	2.17%	2.04%	1.96%	1.95%	1.95%
10yr Bunds	2.4%	2.13%	2.14%	2.14%	2.17%
UK					
Repo Rate	5%	4.7%	4.4%	4%	3.75%
3m Sonia	4.69%	4.53%	4.33%	3.96%	3.78%
10-yr Gilt	4.56%	3.86%	3.81%	3.76%	3.71%
Switzerland					
3m Saron	0.68%	0.74%	0.48%	0.35%	0.35%
10-yr Bond	0.36%	0.50%	0.53%	0.57%	0.62%

Source: Bloomberg (market implied forecasts)

Research Team

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

Marcus Bensasson
Research Economist
mbensasson@eurobank.gr
+ 30 214 40 65 113

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

Dr. Konstantinos Peppas
Research Economist
kpeppas@eurobank.gr
+ 30 214 40 63 520

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

+ 30 214 40 59 708

Michail Vassiliadis
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-endiaferontos
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.