

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

August 22, 2019

Global markets

Asian equities drifted lower following the release of the Fed minutes referring to July's meeting overnight as the latter revealed that policymakers were sizably divided regarding the interest rate cut. European bourses have opened in a modest tone with investors anticipating Germany's PMI data due later within the day, following the German GDP contraction by 0.1% QoQ in Q22019. In FX markets, at the time of writing the EUR/USD and the GBP/USD are hovering around 1.1106 and 1.2145 respectively with the British Pound having slid earlier by ca 0.3%, after German Chancellor Angela Merkel's challenged yesterday UK's Prime Minister Boris Johnson to find a solution within 30 days in order to avoid a no-deal Brexit. Today's attention will be paid on the latter's meeting with France's President Emmanuel Macron along with the political developments in Italy, where following Prime Minister Giuseppe Conte's resignation on Tuesday, Italy's Head of State Sergio Mattarella mediates for a new coalition government in the country so as early elections to be avoided.

Greece

According to the Balance of Payments data released by the Bank of Greece, the current account balance increased on an annual basis by €883.3 mn in June 2019. The major contributors to this result were the categories of oil products and travel services. The former's deficit decreased by €403.9 mn (mostly due to a drop of imports), while the latter's surplus expanded by €328.6 mn (mostly due to an increase of exports). Despite the almost zero growth trajectory of tourist arrivals, travel receipts increased on an annual basis by 16.4% or €368.2 mn due to a rise in the average non-resident expenditure per trip (€620.9 from €581.0 in June 2018).

CESEE

Bulgaria: The Bulgarian National Bank (BNB) revised upwards its real GDP growth forecast to 3.7% YoY for 2019 in its latest quarterly edition of Economic Review, released on Tuesday. BNB's previous forecast in December 2018 projected a 3.6% YoY GDP growth for 2019. Notwithstanding, Q2's GDP growth print came in at 3.3% YoY compared to 3.5% YoY in Q12019.

Serbia: Unlike Bulgaria, the National Bank of Serbia (NBS) kept its 2019 GDP growth forecast at 3.5%, the same as projected in February, according to the August Inflation Report, released in the previous week.

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