

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

August 23, 2019

Global markets

Ahead of Fed Chair Jerome Powell's speech today at 3pm GMT at Jackson Hole in Wyoming, markets retain a waiting stance; in Wall Street, the S&P and NASDAQ closed in marginally negative territory last night, Asian bourses traded in the black overnight while European stock markets have opened on a mildly positive tone (at the time of writing STOXX600 +0.5%). In FX markets, the British pound appears to be holding firm at 1.2206 against the US dollar at the time of writing, despite the fact that yesterday's meeting between UK's PM Boris Johnson and France's President Emmanuel Macron shed no light in the lingering Brexit saga. On the data front, yesterday's PMI data came in better for Europe than the US, exceeding expectations while looking at the calendar, setting aside Chair Powell's speech, focus will turn to the G7 summit, taking place in the weekend in Biarritz.

Greece

The turnover index in industry increased on an annual basis by 1.6% in 2019Q2 from a decrease of -0.6% in 2019Q1. In terms of the main industrial groupings, the turnover indices in intermediated goods, capital goods and non-durable consumer goods, contributed positively, with an annual increase of 4.0%, 6.1% and 4.8% respectively. On the contrary, the turnover indices in energy and durable consumer goods contributed negatively with an annual drop of -4.2% and -2.9% respectively.

CESEE

According to a Fitch Ratings Agency report released a few days ago, the euro adoption in CEE countries would be positive for their sovereign creditworthiness. Since Eurozone membership has various implications in Fitch's Sovereign Rating Model (SRM), a possible access to the Eurozone's reserve currency area and a sequent reduction of the share of public sector debt denominated in foreign currency (FC) would have a direct positive impact on the output of the model. Therefore, all else being equal, Fitch could likely upgrade a sovereign's Long-Term FC Issuer Default Ratings (IDRs) even by two notches from the country's admission to the Exchange Rate Mechanism (ERM II) date until finally joining the euro.

Contributing Authors:

Dr. Stylianos Gogos
Economic Analyst
sgogos@eurobank.gr

Maria Kasola
Economic Analyst
mkasola@eurobank.gr

Research Team



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



Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr
+ 30 210 37 18 793



Ioannis Gkionis
Senior Economist
igkionis@eurobank.gr
+ 30 214 40 59 707



Dr. Stylianos Gogos
Economic Analyst
sgogos@eurobank.gr
+ 30 210 37 18 733



Maria Kasola
Economic Analyst
mkasola@eurobank.gr
+ 30 210 33 18 708



Olga Kosma
Research Economist
okosma@eurobank.gr
+ 30 210 37 18 728



Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr
+ 30 210 37 18 991



Dr. Theodoros Stamatiou
Senior Economist
tstamatiou@eurobank.gr
+ 30 214 40 59 708



Elia Tsiampaou
Economic Analyst
etsiampaou@eurobank.gr
+ 30 214 40 59 712

Marisa Yiannisis | Administrator
magiannisi@eurobank.gr | + 30 210 33 71 178

More research available at: <https://www.eurobank.gr/en/group/economic-research>
Subscribe electronically at: <https://www.eurobank.gr/el/omilos/oikonomikes-analiseis...>
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 Ergasias 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.

