

# GLOBAL & REGIONAL DAILY

## HIGHLIGHTS

October 30, 2020

### Global Markets

The ECB stayed pat with its monetary policy y-day, as expected, while President Christine Lagarde provided clear signals at the post-meeting press conference for further policy stimulus in December. The assessment on the economy was gloomy, with the ECB President highlighting the impact of renewed containment measures and increased uncertainty, concluding that “risks are clearly tilted to the downside” and the GC is in full agreement to recalibrate its instruments based on a thorough re-assessment of the economic outlook in light of the updated macroeconomic projections in December. The likelihood of more ECB stimulus and US Q3 GDP data, showing a record annual growth rate of 33.1% after a record 34.1% fall in Q2 underpinned by private consumption, pushed the EUR/USD below 1.17 for the first time in the last two weeks.

### Greece

The ESI for Oct-20 stood at 92.3, recording a monthly improvement of 2.8 units, better than the ESI for the Euro area, which remained unchanged at 90.9. Confidence ameliorated in almost all sub-sectors as follows: industry +9.1, services +1.3, retail +5.8 and construction +5.5. Consumer confidence however, contracted by -4.5 units. According to Deputy FinMin Theodoros Skylakakis, the Greek draft for the EU Recovery and Resilience Fund is expected to be put to public consultation from 25/11 until the end of the year. It will then be evaluated by the EC between 1-15/1 and be finalised by end-Feb 2021. The main parameters of the plan concern the green economy, the digital transformation, labor and skills development, and policies to boost private investment.

### CESEE

The Economic Sentiment Index (ESI) in CESEE countries continued to improve in October, after bottoming out in April, depicting however signs of stabilisation and backdrops in a few countries (the Czech Republic and Bulgaria to a lesser extent). While the improvement trend was broadly aligned with the trajectory of the ESI in the EU and EA since April, the October's print points to some differentiation as the EU and EA figures came in both unchanged on a monthly basis at 90.0 and 90.9 respectively. The CEE3 group appears lagging behind with Poland posting one of the weakest figures (79.7 vs 90.0 in EU) while Serbia is well anchored to the EU average at 93.8, having however so far exhibited the greatest volatility in 2020, starting the year from a higher base, recording a trough in April and recovering ever since.

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