

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

December 2, 2021

Global Markets

Awaiting Friday's US non-farm payrolls survey, an important release ahead of the upcoming FOMC policy meeting, y-day's strong data supported expectations for an improved growth momentum in Q4. ADP payrolls for November rose by a slightly higher-than-expected 534k, the ISM' manufacturing PMI rose by 0.3pts to 61.1 in November and October's construction spending rebounded by 0.2%MoM. Meanwhile, in the second day of his testimony, the Fed Chair reiterated that the Committee will consider speeding up the pace of tapering at the upcoming meeting and emphasized the risk of inflation remaining high for longer, concerns that were underscored by the Fed's Beige Book reporting still rising prices and labor-related constraints. Focus today is on a flurry of Fed speakers, while on the data front, we expect US jobless claims.

Greece

According to the latest OECD Economic Forecast, real GDP growth is estimated at 6.7% for 2021 and then it is forecast to gradually slow down to 4.8% in 2022 and 2.9% in 2023. Unemployment is expected to decline further to 14.6% in 2021, 12.9% in 2022 and 12.7% in 2023. Gross public debt as a percentage of GDP is projected to decrease from a peak of 206.3% in 2020, to 192% in 2021, 180.6% in 2022 and 174.6% in 2023. Downside risks to the outlook stem from a potential aggravation of the health situation and investment delays. Separately, the IHS Markit Manufacturing PMI stood at 58.8 in November from 58.9 in October signaling a continuing substantial improvement in operating conditions across the manufacturing sector, with the 6-month average PMI standing at historically high levels.

CESEE

BULGARIA: In the Economic Outlook report, released y-day, the OECD revised downwards its 2021 GDP growth projection to 3.2% from 3.8% in June. GDP growth is expected to accelerate to a range between 4.2% and 4.5% in 2022 and 2023, driven by exports, private consumption and investments, particularly those supported by significant EU funds. On the fiscal front, according to the Ministry of Finance, the general government budget deficit reached BGN 340.1bn in October, up by 56.6%YoY, on the back of a stronger annual increase in expenditure compared to revenues. On a cumulative basis, the budget posted a surplus of BGN 727.7mn in Jan-Oct, up by 11.2%YoY, and accounting for 0.6% of projected GDP. In the same period, public debt increased by 3.3%MoM to BGN 31.1mn, shaping the debt-to GDP ratio at 24.2%.

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