

GLOBAL & REGIONAL DAILY

HIGHLIGHTS

September 10, 2021

Global Markets

At its policy meeting y-day, the ECB decided to reduce “moderately” the pace of PEPP purchases in the following three months, in line with expectations. Speaking in the consequent press conference, President Christine Lagarde adopted an optimistic tone on the EA’s growth outlook, noting though that the global spread of the Delta strain could slow the recovery. Output is now expected to return to its pre-crisis level by the end of this year, one quarter earlier than previously anticipated, while the ECB stuck to the view that the recent rise in inflation is mostly transitory. The EUR’s reaction to the ECB policy meeting outcome was rather contained, while European government bonds firmed, as the ECB President was cautious in highlighting that the decision for reduced PEPP flows is just a recalibration rather than a tapering signal.

Greece

The ECB Governing Council decided yesterday that financing conditions are favourable and the outlook for inflation has improved slightly, allowing for a moderately lower pace of net purchases under the Pandemic Emergency Purchase Programme. According to ECB President Christine Lagarde, this move does not constitute tapering but rather recalibration. As regards Greece in particular, the ECB President argued that this discussion is premature and the situation of Greece will be taken into account and addressed at the Governing Council’s December meeting. On privatisations, the HRADF and HELPE accepted Italgas’ improved offer for the acquisition of 100% of DEPA Infrastructure, which amounts to €733mn. The transaction will be completed as soon as it is approved by the Court of Audit.

CESEE

SERBIA: At its regular MPC meeting yesterday, the NBS left interest rates unchanged at 1% for a ninth consecutive month in line with consensus expectations. In the statement released thereafter, the Central Bank took into account the faster than expected growth performance in H1-2021 (+7.6% YoY) coming in significantly above the full-year NBS forecast of 6.5%. The NBS characterized elevated inflationary pressures as transitory, resulting from last year’s low base, higher energy prices and supply side bottlenecks in global markets. NBS remained confident that inflation will continue fluctuating within the target band (3±1.5%) in the coming period, as core inflation is stable around 2%. Finally, NBS stressed its flexibility to respond promptly if necessary, by adjusting dinar liquidity conditions and the average repo rate.

Contributing Authors

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Anna Dimitriadou
Economic Analyst
andimitriadou@eurobank.gr

Ioannis Gkionis
Senior Economist
igkionis@eurobank.gr

GLOBAL MARKETS
Stock markets

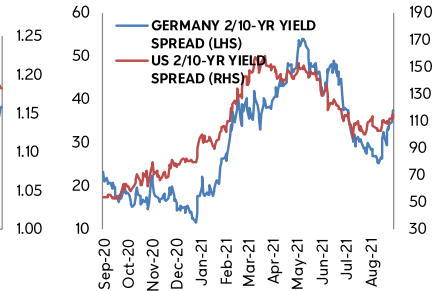
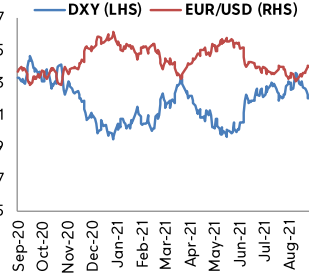
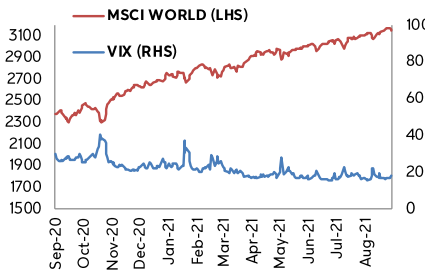
	Last	ΔD	ΔYTD
S&P 500	4493.28	-0.46%	19.6%
Nikkei 225	30381.84	1.2%	10.7%
STOXX 600	468.61	0.2%	17.4%

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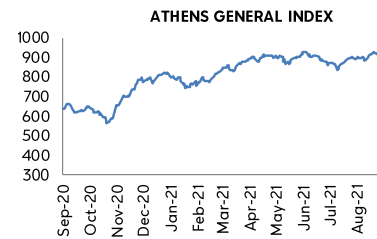
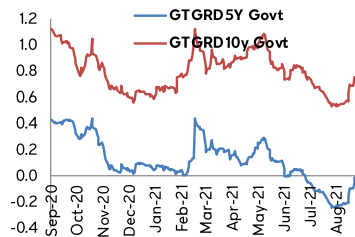
	Last	ΔD	ΔYTD
EUR/USD	1.1843	0.1%	-3.1%
GBP/USD	1.3878	0.3%	1.5%
USD/JPY	109.93	-0.2%	-6.1%

Government Bonds

(yields)	Last	ΔDbps	ΔYTD bps
UST - 10yr	1.32	3	41
Bund-10yr	-0.35	1	22
JGB - 10yr	0.05	1	3


GREECE
Government Bonds

(yields)	Last	ΔDbps	ΔYTDbps
5Y Bond	-0.01	0	-9
10Y Bond	0.76	0	14
Δ(10YBund-10YGGB)	1.11	0	-9


EMERGING MARKETS
Stock markets

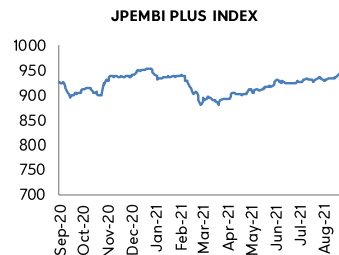
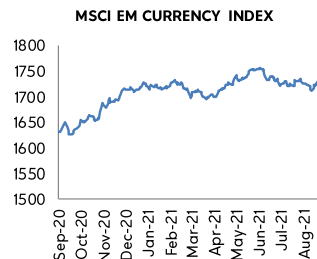
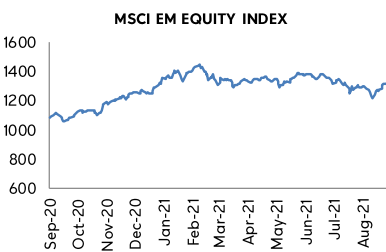
	Last	ΔD	ΔYTD
SOFIX	561.86	-0.8%	25.5%
BELEX	802.23	-0.1%	716.3%
XU100	1452.22	0.0%	-165.9%

FOREX

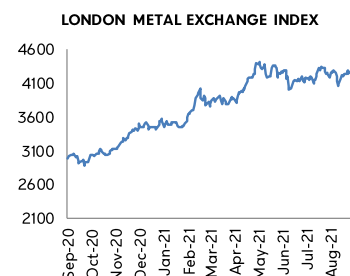
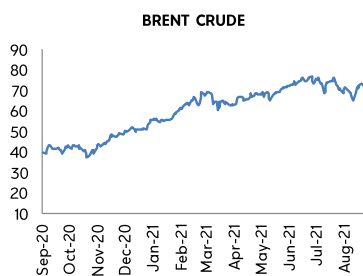
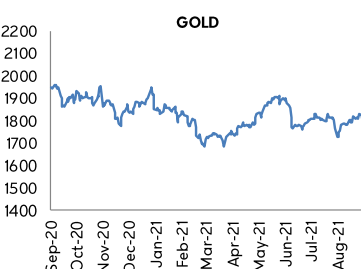
	Last	ΔD	ΔYTD
EUR/PLN	4.5462	0.0%	0.3%
EUR/RSD	117.58	0.0%	0.0%
USD/TRY	8.4181	0.2%	-11.6%

Government Bonds

	Last	ΔDbps	ΔYTD bps
TR 10Y yield	6.02	-5	62
BG 8Y yield	Invalid Security		
PL 10Y yield	1.99		


COMMODITIES

	Last	ΔD	ΔYTD
GOLD	1802	0.4%	-5.1%
BRENT CRUDE	72	1.3%	39.7%
LMEX	4313	1.7%	26.3%



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 Rapanos
Economic Analyst
v-trapanos@eurobank.gr
+ 30 214 40 59 711



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

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