

GLOBAL & REGIONAL DAILY HIGHLIGHTS

October 25, 2021

Global Markets

Asian equity markets retained recent gains today ahead of a string of quarterly corporate earnings announcements this week, while major currency pairs remained stuck within recent narrow trading ranges, with the EUR-USD continuing to struggle at around 1.1650. **On the data front, Friday's releases** showed that the Eurozone composite PMI dropped by a higher than expected 1.9pts to a six-month low of 54.3 in October, while in the US, the respective figure rose to a preliminary three-month high of 57.3 from September's 55.0. **Looking at this week's calendar, focus today is on Germany's October Ifo business climate indicator** ahead of the first estimate of Q3 GDP growth in the US (Thursday) and the EA (Friday). Eyes will also be on **this week's ECB policy meeting (Thursday)**, though no policy change is expected.

Greece

According to the Bank of Greece balance of travel services data, travel receipts in August 2021 reached €3,112.4mn up by 125.4%YoY and standing at 75.8% of 2019 levels. More specifically, compared to 2019, which was a record-year for tourism, receipts from the EU27 stood at 91.3%, from the Euro area at 94.7% and from non-EU27 countries at 55.8%. Most notably, receipts from France surpassed the 2019 level by 40.5% while receipts from Germany stood only slightly below 2019 levels. Total inbound traveler flows amounted to 4,074.2K at 60.3% of 2019 levels, while the average non-resident expenditure per trip in Greece was €756, **down from €764 in 2020 but up from €596 in 2019**. Year-to-August, receipts reached **€6,582mn** and arrivals 8,624K, standing at 49.8% and 39.5% of 2019 levels respectively.

CESEE

SERBIA: The yields of the government bonds continued moving higher, increasing by an average of 20bps on a weekly basis. The 4-year, 6-year and 11-year RSD denominated bonds traded at 2.90%, 3.30% and 3.90% yields respectively. On the FX market, there was a slight increase in volume as more demand for Euros appeared in the past week. The National Bank of Serbia, the reserves of which are at the history high, intervened by selling Euros in the FX interbank market, preventing any excessive depreciation of the domestic currency. Thus, the EUR/RSD rate remained stable, trading within the 117.54-59 range. The second budget revision cut the 2021 budget deficit target to 4.9% of GDP from 6.9% previously, reflecting revenue outperformance and higher capital spending.

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