

GLOBAL & REGIONAL DAILY HIGHLIGHTS

October 26, 2021

Global Markets

Asian bourses closed higher earlier today, following further gains in Wall Street overnight, which pushed both the DJIA and the S&P 500 to another record high thanks to strong corporate earnings results. Furthermore, Senator Joe Manchin expressed optimism that democrats have almost reached an agreement on a social spending bill amounting to not more than \$1.5trn, while press reports suggested that the US and Chinese governments have made some incremental progress in their economic and trade negotiations. In FX markets, the USD regained some ground, pushing the EUR/USD down close to 1.1600, ahead of **today's US CB October** consumer confidence survey. **Germany's data** y-day showed a further drop in the IFO business climate index in October, at 97.7 from **September's** 98.9, weighing further on the EUR.

Greece

According to the latest available data for the execution of the State Budget on a modified cash basis, the state budget balance for the period Jan-Sep21 presented a deficit of **€10,150mn**, lower than the target of **€13,011mn in the MTFS 2022-2025 and the deficit of €11,269mn recorded in the same period of 2020**. The state budget primary deficit stood at **€5,960mn**, against the primary deficit target of **€8,855mn** and the primary deficit of **€7,011mn** in the same period of the previous year. On the pandemic front, new cases reached 3,937 yesterday amid c. 76.8K tests, bringing the positivity rate at 5.1% and the weekly average at 2.1% from 1.7% in the previous week. Patients in ICUs stood at 354, with the 7-day M.A. above 350 for the 8th day in a row.

CESEE

Following the mission that took place in mid-October in Serbia, the Fund, in its concluding statement, reiterated its GDP forecasts for 2021 and 2022 at 6.5% and 4.5% respectively, praising the implemented economic policy mix so far but, also, underlining the need to push the reforms agenda more vigorously. Despite the high inflationary pressures and the relative elevated risks, the stability of the core inflation so far is interpreted by the members of the mission positively. At the same time, presidential, parliamentary and local elections will take place on April 3. On the data front, this week's regional calendar is filled with the Czech Republic's Q3 GDP and Polish October's prints, both due on Friday, while our attention focuses also on the September retail sales and industrial production data in Serbia due on Friday as well.

Contributing Authors

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Anna Dimitriadou
Economic Analyst
andimitriadou@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
Research Economist
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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