

GLOBAL & REGIONAL DAILY

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Global markets

BoE Governor Bailey sent a clear message yesterday, stating that APF purchases are scheduled to end on Friday and that there will not be any extension. In a knee-jerk reaction to the above, the GBP weakened, closing at a multi-session low of 1.0950 against the USD yesterday, before gaining some ground earlier today and hitting a session peak at 1.1060 on reports suggesting that the BoE has privately informed bankers that it would extend the emergency bond buying program if market conditions required it. Meanwhile, Asian bourses ended further lower today, while gilts were little affected, with the 10-yr yield continuing to trade not too far from Monday's 4.55% multi-session peak. In other news, in its updated Economic Outlook Report that was released yesterday, the IMF left unchanged its 2022 global GDP growth forecast at 3.2% but revised lower its 2023 projection to 2.7% from 2.9% in July. In terms of data releases, focus today is on the US PPI release ahead of tomorrow's all-important US CPI reading.

Greece

According to the IMF World Economic Outlook (WEO) published yesterday, the FY-2022 real GDP growth in Greece is estimated at 5.2%, before slowing down to 1.8% in 2023 (8.3% in 2021). Compared to the previous WEO publication (April 2022), the 2022-2023 cumulative real GDP growth was revised upwards to 7.1% from 6.1%. This revision reflects: firstly, the better-than-expected performance of the economy in H1 2022 which led to an upward revision of the FY-2022 real GDP growth forecast by 1.7 ppts, and secondly, the downside risks due to the energy crisis along with base effects that led to a downward revision of the FY-2023 real GDP growth projection by 0.8 ppts. In what concerns the other two major macroeconomic variables, the inflation rate based on the HICP is estimated at 9.2% and 3.2% in 2022 and 2023 respectively (0.6% in 2021), while the unemployment rate is forecasted to shrink to 12.6% in 2022 and 12.2% in 2023 (15.0% in 2021).

CESEE

In the World Economic Outlook (WEO) released yesterday, the IMF revised notably upwards its 2022 GDP forecast for Bulgaria at 3.9% from 2.8% but trimmed that for 2023 to 3.0% from 4.0% in June's Article IV conclusions report. The average annual inflation is projected at 12.4% in 2022, with the respective forecast for 2023 slashed by more than half, i.e. at 5.2%. Turning to Serbia, the Fund kept the GDP growth forecast for 2022 unchanged at 3.5% compared to the previous WEO in April but revised downwards the forecast for 2023 to 2.7% from 4.0% previously. Inflation forecast for 2022 spiked to 11.5% YoY from 7.7% YoY and it is expected to ease to 8.3% YoY in 2023.

Contributing Authors:

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Dr. Stylianos Gogos
Research Economist
sgogos@eurobank.gr

Maria Kasola
Research Economist
mkasola@eurobank.gr

Research Team



Dr. Tasos Anastasatos | Group Chief Economist
tanastasatos@eurobank.gr | + 30 214 40 59 706



Dr. Stylianos Gogos
Research Economist
sgogos@eurobank.gr
+ 30 214 40 63 456



Maria Kasola
Research Economist
mkasola@eurobank.gr
+ 30 214 40 63 453



Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr
+ 30 214 40 63 455



Dr. Theodoros Rapanos
Economic Analyst
trapanos@eurobank.gr
+ 30 214 40 59 711



Dr. Theodoros Stamatou
Senior Economist
tstamatou@eurobank.gr
+ 30 214 40 59 708



Michail Vassileiadis
Research Economist
mvassileiadis@eurobank.gr
+ 30 214 40 59 709

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