

GLOBAL & REGIONAL DAILY

July 27, 2022

Global markets

According to the WEO Update, the IMF expects the world economy to slow from 6.1% in 2021 to 3.2% this year and 2.9% in 2023, revised downwards by 0.4ppts and 0.7ppts, respectively, from April, due to stalling growth in the world's three largest economies, the US, China and the Euro area. Turning to markets, USTs were little changed on the day and futures point to a positive open for Wall Street ahead of the conclusion of the FOMC's two-day meeting later today, where a 75bps rate hike appears almost certain. Meanwhile, the EUR has come under pressure falling back close to 1.01 against the USD amid rising gas supply concerns, failing to capitalise on yesterday's disappointing US data releases. European gas prices climbed above €200/mwh for the first time since 9 March, following Gazprom's decision to further cut gas flows to Europe from 40% to about 20% of capacity.

Greece

According to the latest Bank of Greece bank lending survey, in Q2 2022 the overall demand for loans to non-financial corporations (NFCs), both for small/medium as well as large enterprises, increased compared to Q1 2022, due to financing needs for fixed investment and for increasing working capital. In the next quarter, the overall demand for loans to both small/medium and large corporations is expected to increase further. With regard to households, the demand for consumer credit remained almost unchanged, while the demand for housing loans decreased, contrary to what it was expected, due to the worsening of consumer confidence and to the general level of interest rates. During the next quarter, the overall demand for housing loans is expected to remain almost unchanged, while the demand for consumer credit is expected to slightly increase.

CESEE

In the World Economic Outlook (WEO) Update released yesterday, the IMF revised upwards its 2022 GDP growth forecast for the Emerging and Developing Europe to -1.5% from -2.4% in April, on the back of stronger-than-expected Russian export growth this year. However, the region's GDP contraction for 2022 is attributed to Russia, Ukraine and Belarus, as the growth rates of the rest countries are expected to remain positive. Meanwhile, the Fund cut its 2023 GDP growth forecast to 0.9% from 1.3% previously, due to the recently announced additional sanctions on Russia in 2023. In other news, in yesterday's MPC meeting, the Central Bank of Hungary decided to shift from an aggressive tightening towards a more gradual approach, raising, thus, the Key Policy Rate (KPR) by 100bps to 10.75%, following rate hikes of 200bps in mid-July and 185bps in June.

Contributing Authors:

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Elia Tsiampaou
Economic Analyst
etsiampaou@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



Elia Tsiampaou
Economic Analyst
etsiampaou@eurobank.gr
+ 30 214 40 59 712

Περισσότερες εκδόσεις μας διαθέσιμες στην ηλεκτρονική διεύθυνση που ακολουθεί: <https://www.eurobank.gr/en/group/economic-research>
Εγγραφείτε ηλεκτρονικά, σε: <https://www.eurobank.gr/el/omilos/oikonomikes-analuseis/forma-ekdilosis-endiaferontos>
Ακολουθήστε μας στο twitter: https://twitter.com/Eurobank_Group
Ακολουθήστε μας στο LinkedIn: <https://www.linkedin.com/company/eurobank>

DISCLAIMER

This report has been issued by Eurobank S.A. ("Eurobank") and may not be reproduced in any manner or provided to any other person. Each person that receives a copy by acceptance thereof represents and agrees that it will not distribute or provide it to any other person. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned herein. Eurobank and others associated with it may have positions in, and may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment banking services for those companies. The investments discussed in this report may be unsuitable for investors, depending on the specific investment objectives and financial position. The information contained herein is for informative purposes only and has been obtained from sources believed to be reliable but it has not been verified by Eurobank. The opinions expressed herein may not necessarily coincide with those of any member of Eurobank. No representation or warranty (express or implied) is made as to the accuracy, completeness, correctness, timeliness or fairness of the information or opinions herein, all of which are subject to change without notice. No responsibility or liability whatsoever or howsoever arising is accepted in relation to the contents hereof by Eurobank or any of its directors, officers or employees. Any articles, studies, comments etc. reflect solely the views of their author. Any unsigned notes are deemed to have been produced by the editorial team. Any articles, studies, comments etc. that are signed by members of the editorial team express the personal views of their author.

