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Global markets

USTs opened slightly higher today with flatter yield curve, regaining part of yesterday's losses ahead of a string of key US data releases this week, including today's ISM services index for November and the JOLTS report for October. Waiting for those releases, risk sentiment deteriorated. US equity markets ended lower overnight and Asian bourses generally closed in the red today. Meanwhile, favored by recent ECB dovish commentary, Bunds retained a positive tone. The 10yr UST-Bund yield spread widened to 195bps in early European trade, while ECB OIS markets are currently pricing in over 100bps of rate easing by September 2024. In FX markets, the DXY USD index was slightly firmer, though still remaining below 104, while the EUR/USD retested earlier today Monday's near three-week intraday low close to 1.08. Elsewhere, oil prices remained under pressure, with Brent crude trading close to $79.50/bbl earlier today, despite remarks by the Saudi energy minister that Saudi Arabia's crude production cuts could "absolutely" go beyond Q1 2024.

Greece

According to Eurostat data, R&D expenditure in Greece in 2022 amounted to 1.48% of GDP, while in the Euro area (EA) averaged at 2.26% of GDP. R&D expenditure represents the financial resources allocated to support research activities aimed at developing new products, processes, or services, as well as improving existing ones. This expenditure aims in fostering innovation, competitiveness, and economic growth. The 2022 figure for Greece, marks a slight increase from the 1.46% recorded in 2021 but a significant improvement compared to the average of 0.56% of GDP in the 2003-2007 period, before the initiation of the sovereign debt crisis. Breaking down the sources of R&D expenditure, we find that the private business sector in Greece allocated 0.73% of GDP for R&D (EA: 1.49%). The higher education sector contributed 0.44% (EA: 0.48%), the government sector allocated 0.31% (EA: 0.26%), and the private non-profit sector accounted for 0.01% of GDP (EA: 0.04%).

CESEE

On Friday evening, S&P Global Ratings affirmed Poland's foreign currency sovereign credit rating at A- keeping the outlook stable. The rating agency outlined that Poland's rating could be upgraded going forward if sustained institutional and governance reforms, which both unlock steady flow of EU funds and net FDI, take place, improving, thus, the medium-term growth prospects. Another area than could lead to an upgrade in case progress is noticed is the fiscal balance. On the flipside, S&P added that downside risks regarding the rating could stem from slower than expected disinflation which could undermine competitiveness and growth, among others. Recently released GDP growth forecasts of 0.6% for 2023 and 3.1% for 2024 published a week earlier in an economic outlook, were reaffirmed under the assumption that the new government may prove able to invigorate the country's access to EU funds and underpin that way investment growth in 2024 and beyond.

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