

GLOBAL & REGIONAL DAILY

September 29, 2023

Global markets

Despite lower-than-expected preliminary September CPI data from Spain and Germany yesterday, EGBs remained under pressure, with the 10-yr Bund marking a fresh post-2011 closing high of 2.97%, before moving lower towards 2.88% earlier today — though still well above the early September low of 2.45% — ahead of the CPI release for the entire euro area later today. Meanwhile, USTs outperformed their European peers, especially the short end of the curve, with the 2-yr yield recording a multi-session low of 5.02% earlier today after US Q2 personal consumption was revised downwards. The bull steepening of the UST curve contributed to the USD's broad-based weakness, while investors' appetite for some end-month profit taking may also had an impact. Against this backdrop, the EUR/USD regained some ground, trading close to 1.06 in early European trade ahead of today's US personal income and PCE data, while the USD/JPY moved close to 148.50 amid ongoing concerns about potential FX intervention by the Japanese authorities.

Greece

According to ELSTAT's 2022 Household Budget Survey, a statistic focused on household characteristics, behaviors, and living conditions, the average annual household expenditure in Greece was €19,204.08, an annual increase of 12.7%. Of the 6,196 surveyed households, 50% spent over €1,289 per month. The main expenditure categories were Food and non-alcoholic beverages (20.9%), Housing (14.5%), and Transport (13.3%), with Education at the smallest share (3.4%). Renters spent 17.4% of their budget on rent. The bottom 20% allocated 58.1% of their budget to Food and Housing, versus 25.6% by the top 20%. The regions of Attiki and Sterea Ellada had the highest and lowest yearly expenditures respectively. Overall, there was a 24.5% decrease in annual household expenditure compared to 2008. For comparison purposes, the cumulative loss in real GDP between 2008 and 2022 was 17.0% (2008-2016: -24.3%).

CESEE

While the economic sentiment indicator in the EU and the EA remains in a soft patch since January, regional sentiment appeared broadly mixed in September, based on the survey results released yesterday by the EC. ESI improved in Bulgaria, Croatia and two of the Baltics (Latvia and Lithuania) while it deteriorated in all CEE, with the deterioration in Czechia more pronounced and that in Poland almost indifferent. In Bulgaria, the outstanding stock of bank loans to the private sector picked up by 9.7%YoY by the end of August, easing from a 10.3%YoY increase in the previous month. In real terms, the stock of loans rose by 1.8%YoY, marking a fourth consecutive increase after a prolonged contraction between January 2022 and April 2023. Finally, the central bank of Czechia voted unanimously in the MPC held on Wednesday to leave interest rates unchanged, broadly in line with market expectations.

Contributing Authors:

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Dr. Theodoros Stamatiou
Senior Economist
tstamatiou@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. Dimitrios Exadaktylos
Economic Analyst
v-dexadaktylos@eurobank.gr
+ 30 214 40 63 449



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
Research Economist
trapanos@eurobank.gr
+ 30 214 40 59 711



Symeoni – Eleni Soursou
Junior Economic Analyst
ssoursou@eurobank.gr
+ 30 214 40 65 120



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

More available research at: <https://www.eurobank.gr/en/group/economic-research>

Subscribe electronically at: <https://www.eurobank.gr/el/omilos/oikonomikes-analuseis/forma-ekdilosis-endiiferontos>

Follow us on twitter: https://twitter.com/Eurobank_Group

Follow us on 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.

