

GLOBAL & REGIONAL DAILY

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Global markets

The flash US composite PMI for April came in above expectations, rising by 1.2pts to 53.5, the highest level since May 2022, on broad-based improvement, as manufacturing PMI rose from 49.2 to 50.4, indicating the first expansion in six months, and services PMI edged up from 52.6 to a one-year high of 53.7. Likewise, the preliminary Eurozone composite PMI rose from 53.7 to a 11-month high of 54.4 in April against expectations for an unchanged reading, entirely driven by services PMI which rose from 55.0 to a 12-month high of 56.6, whereas manufacturing dipped further into contractionary territory, falling from 47.3 to a 35-month low of 45.5. Firmer than expected Eurozone PMI data helped the EUR/USD reapproach 1.10 earlier today, but strong PMIs also in the US prevented a break above that level. Meanwhile, Asian equity markets ended mostly lower today and government bonds on both sides of the Atlantic were slightly firmer on the day ahead of today's German Ifo survey and Q1 GDP figures for the US (Thursday) and the Eurozone (Friday).

Greece

According to ELSTAT's 1st Notification on fiscal data published on Friday (21.04), the overall fiscal balance was at 0.9%, -9.7%, -7.1% and -2.3% of GDP in 2019, 2020, 2021 and 2022 respectively. The primary balance was at 3.9%, -6.7%, -4.7% and 0.1% of GDP in 2019, 2020, 2021 and 2022 respectively. Thus, the 2022 primary fiscal balance was significantly improved compared to an earlier forecast of a primary deficit of 1.6% of GDP (2023 Budget, Nov-22). The general government debt was at 180.6%, 206.3%, 194.6% and 171.3% of GDP. S&P, on Friday (21.04) kept Greece's rating unchanged at BB+ (one notch below investment grade) but revised the country's outlook from stable to positive. Negative developments on the current account deficit constitute a downward risk while the continuation of the current fiscal and structural reform performance might bring an upgrade in the following 12 months. In other news, the parliament was dissolved on Sunday (23.04) and the national elections will take place on May 21, 2023.

CESEE

As was expected, Eurostat released on Friday the official fiscal balance and public debt numbers for the EU countries in 2022. Also, in line with market expectations, fiscal deficits narrowed in all eight EU CEE countries but Poland, with Croatia achieving a surplus of 0.4% of GDP last year, against a deficit of 2.5% of GDP in 2021, the strongest improvement in the region, ahead of the country's entry to the euro area in January 2023. The better fiscal outcome was mainly due to higher revenues (on average +1.8ppts of GDP in CEE8), based on solid economic growth and the positive impact of high inflation on tax revenues. Average improvement of fiscal balance in CEE8 in 2022 stood at 1.3ppts of GDP, in line with the trend in the EU (+1.4ppts of GDP). Turning to this week's calendar, the MPC meeting in Hungary will probably be the most watched event, amid expectations for no change of the one-day deposit rate (18%), but lowering of the upper bound of the interest rate corridor, by 200-250bps.

Contributing Authors:

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Dr. Theodoros Stamatiou
Senior Economist
tstamatiou@eurobank.gr

Michail Vassileiadis
Research Economist
mvasileiadis@eurobank.gr

Research Team



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



Dr. Dimitris 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



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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