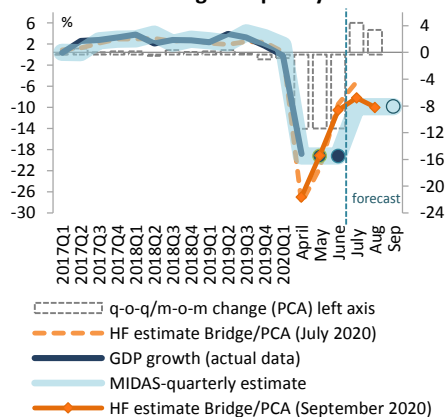


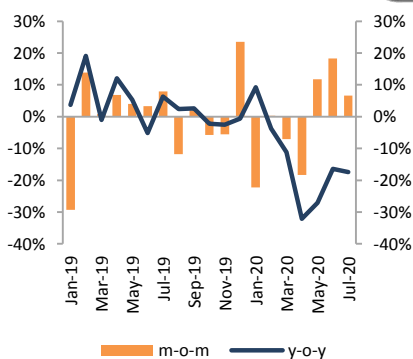


GDP increases at a strong monthly pace of 5.5% in July-August, although the flattening of high frequency indicators points to a slowing recovery in September

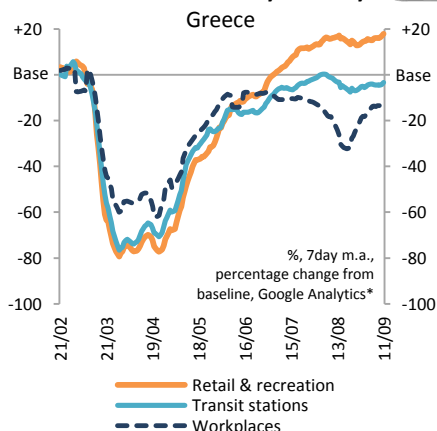
NBG: GDP growth estimates based on high frequency data



Turnover of Greek enterprises (with double-entry bookkeeping)



Covid-19 Community Mobility: Greece

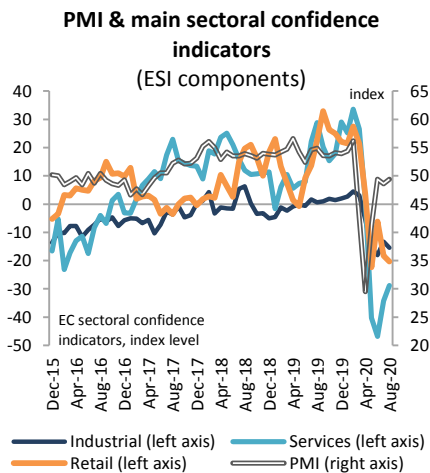


NBG's high frequency forecast of Greek GDP growth for Q3:2020 has been updated to include the most recent data that became available in August and September.

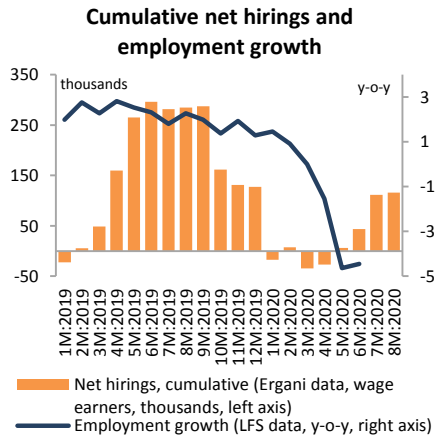
- According to the latest estimates, the economic recovery continued with monthly (s.a.) GDP growth of 6.0% in July and 4.7% in August following a 14.0% q-o-q (s.a.) decline in Q2:2020 (-15.2% y-o-y), which was very much in line with the forecast derived from NBG's high-frequency indicators model.
- On a yearly basis for July, the GDP decline is now estimated at -6.8% y-o-y against a preliminary estimate of -4.4% y-o-y (+10.8% s.a. m-o-m), as the latest releases of conjunctural indicators point to a slower-than-previously-expected increase in activity than that from the high frequency data (the previous estimate for July had been based on a limited information set comprising, mainly, mobility and electricity demand data).
- Looking at individual indicators, business turnover contracted by 17.5% y-o-y in July 2020 compared with -25.0% y-o-y in Q2, up by 6.6% on a monthly basis (against an increase of 18.3% m-o-m in June, following the lifting of the lockdown). A delayed opening of the tourism season weighed on the performance of several sectors and especially on manufacturing turnover (-13.3% y-o-y in July, -0.4% m-o-m). On the positive side, the pick-up in tourism in August is expected to support demand and business activity.
- Similarly, retail trade turnover recovered further on a monthly basis in July (+10.2% m-o-m) but remained 6.1% below its level in July 2019.
- The decline in the non-oil trade deficit of 19.3% y-o-y in July (current prices) due to a rebound in non-oil exports of +9.2% y-o-y (+13.1% m-o-m) partly compensated for the drag from lower domestic demand.
- August-September high frequency indicators are mixed. On the one hand, mobility trends (including non-residents) and international arrivals showed a further improvement in August (especially in the first half of this month). Encouragingly, the decline in international arrivals at Athens International Airport (AIA) slowed to 66.2% y-o-y in August from -76.1% y-o-y in July and -96.7% in Q2:2020.
- On the other hand, economic sentiment stabilized to 90.7 in August (90.8 in July and 87.6 in June) but remains c. 9% below its 6-year average. The improvement in services confidence has been offset by a small deterioration in all other sectoral indicators of the survey in this month. Manufacturing PMI picked up slightly to 49.4 in August (same as in June 2020, with domestic and export orders losing steam m-o-m).
- Overall, NBG's high frequency estimates point to a significant quarterly increase in GDP of c. 8.0% q-o-q, on a seasonally-adjusted basis, in Q3 (-8.4% y-o-y), which implies an average recession in 9M:2020 of c. 8.0%. This outcome would be in line with our baseline estimate for a GDP drop of 7.5% in FY:2020, although deteriorating epidemic trends increase downside risks for the rest of the year.



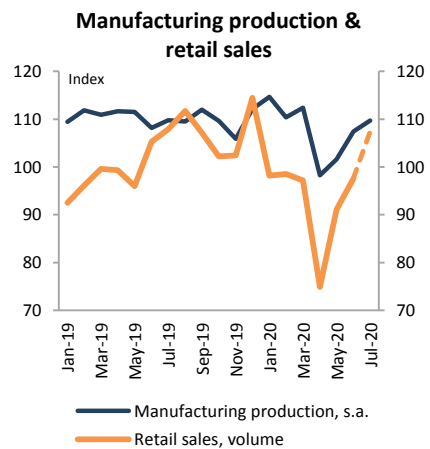
Economic sentiment remained flat in August with a tourism-related pick up in the services confidence offset by a small weakening in other sectors



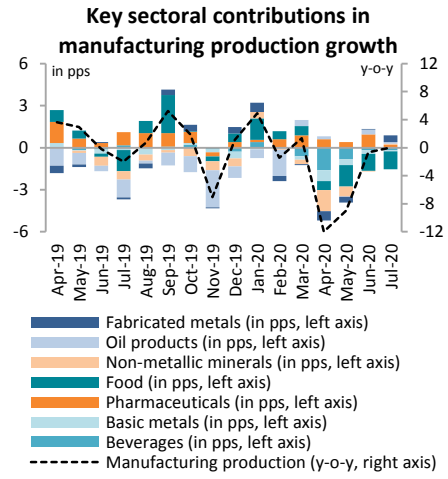
The opening of tourism and State measures reduced the cumulative hiring gap against 8M 2019 to below 170K jobs in August but the underlying impact is reflected on LFS data



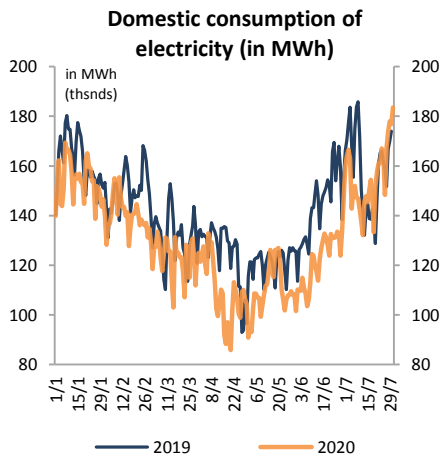
Manufacturing output and retail sales recorded significant monthly expansions for a third consecutive month



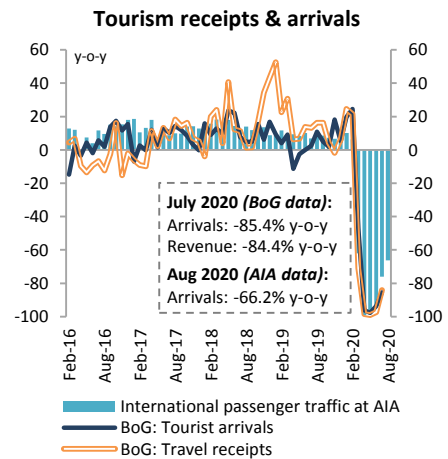
Greek manufacturing production stabilized on an annual basis in July 2020 (-7.2% y-o-y in Q2) despite a cooling off in key sectors (food, pharmaceuticals)



Electricity consumption rebounded strongly in the second half of July, presaging a strengthening in production and tourism



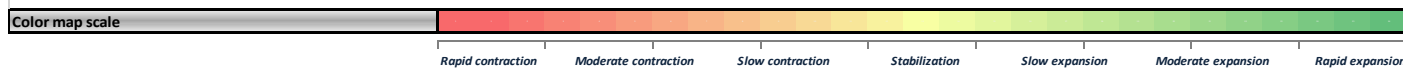
The pace of decline in international arrivals to Athens airport slowed to -66.2% y-o-y in August from -76.1% y-o-y in July



Sources: EL.STAT., BoG, Ministry of Labor and Social Affairs, European Commission, AIA, Energy Ex. Group, IHS Markit & NBG Econ. Analysis Division estimates

High frequency indicators used in estimating GDP growth

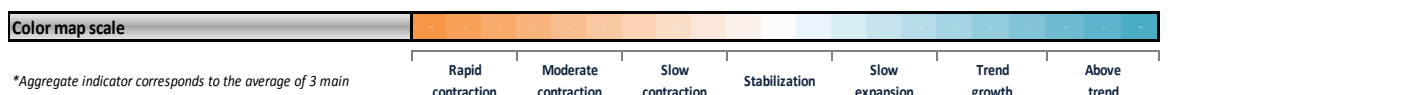
	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	
PMI (index level)	53,5	53,5	53,9	53,6	53,1	54,0	53,8	53,7	54,2	54,7	56,6	54,2	52,4	54,6	54,9	53,6	53,5	54,1	53,9	54,4	56,2	42,5	29,5	41,1	49,4	48,6	49,4	
Industrial confidence (index level)	-1,6	5,4	6,3	0,3	-3,4	-3,2	-5,0	-4,6	-1,2	-2,3	-0,9	-0,2	-0,6	1,7	0,6	1,0	1,9	1,4	2,0	2,7	4,5	3,1	-5,6	-15,4	-18,1	-13,3	-15,5	
Manufacturing production (y-o-y)	1,5	7,2	1,5	1,8	0,1	8,5	1,4	-0,9	3,3	2,7	3,7	3,0	-0,2	-2,0	0,7	5,2	1,9	-7,0	1,1	4,9	-1,4	1,4	-12,0	-9,0	-0,6	0,0		
Industrial production (y-o-y)	1,3	3,5	-0,3	3,3	0,0	5,2	2,3	4,1	1,9	-0,6	2,6	0,4	-0,5	-2,0	0,0	1,9	-0,7	-9,6	-3,8	-0,4	-3,1	0,1	-10,5	-7,9	-4,6	-0,2		
Services confidence (index level)	21,0	15,9	11,9	10,5	10,7	11,1	11,4	-1,6	6,1	10,5	5,6	7,3	7,9	22,1	28,8	20,2	15,4	17,8	29,1	25,2	33,6	26,6	1,1	-40,3	-46,8	-34,2	-28,8	
Consumer confidence (index level)	-49	-47	-45	-43	-34	-33	-31	-28	-33	-32	-31	-30	-28	-20	-8	-7	-8	-7	-6	-10	-5	-17	-33	-33	-28	-35	-35	
Retail confidence (index level)	2,6	14,9	19,7	21,0	16,4	10,0	18,4	23,0	13,3	7,4	1,4	-0,7	9,2	13,7	22,6	32,9	26,3	25,0	22,0	21,5	27,5	21,3	3,2	-22,4	-6,2	-18,3	-20,3	
Retail trade volume (y-o-y)	1,7	2,4	3,6	2,9	-4,1	3,0	-0,1	-3,2	-3,1	4,9	-2,5	-2,4	2,4	-2,2	2,2	5,0	7,2	3,7	-1,5	6,2	2,5	-2,4	-24,6	-4,9	-7,3			
Construction Permits (y-o-y)	23	17	13	33	38	51	18	-9	-25	-20	1	6	1	22	38	60	-10	7	47	44	70	54	-18	5	11			
House prices (y-o-y, quarterly series)	1,3	2,3	2,3	2,3	3,2	3,2	3,2	5,5	5,5	5,5	7,6	7,6	7,6	8,3	8,3	8,3	7,6	7,6	7,6	6,9	6,9	6,9						
Construction confidence (index level)	-48	-46	-45	-55	-51	-43	-53	-51	-61	-48	-50	-54	-56	-48	-52	-56	-50	-52	-24	-32	-31	-31	-76	-76	-56	-32	-41	
Employment (y-o-y)	2,0	2,0	1,7	2,0	2,4	2,4	2,6	2,0	2,8	2,3	2,8	2,5	2,3	1,8	2,3	2,0	1,4	1,9	1,3	1,5	0,9	0,0	-1,5	-4,6	-4,4			
Interest rate on new private sector loans (CPI deflated)	3,4	3,9	3,7	3,7	3,2	3,6	4,1	4,5	3,9	3,6	3,9	4,4	4,8	4,5	4,9	4,7	5,0	4,1	3,6	3,5	4,1	4,1	5,5	5,4	5,6	5,9		
Credit to private sector (y-o-y)	-1,2	-1,5	-1,5	-1,2	-1,4	-1,4	-1,1	-1,1	-0,6	-0,6	-0,1	-0,2	-0,2	-0,1	-0,1	-0,5	-0,2	-0,2	-0,6	-0,6	-0,8	0,1	0,3	0,7	0,4	1,5		
Deposits of domestic private sector (y-o-y)	7,5	7,4	7,3	7,4	6,2	5,9	6,3	6,2	5,5	5,5	6,0	5,7	6,0	6,5	6,2	5,8	6,5	6,5	6,7	6,3	7,7	8,8	8,6	9,4	8,4	9,5		
Interest rate on new time deposits (households, CPI deflated)	-0,4	-0,2	-0,4	-0,5	-1,2	-0,4	0,0	0,2	0,0	-0,4	-0,4	0,3	0,8	0,5	0,7	0,5	1,1	0,1	-0,4	-0,5	0,1	0,3	1,7	1,4	1,8	2,1		
Economic sentiment index (EU Commission, Greece)	104	106	106	102	102	103	103	101	103	103	102	102	103	107	110	108	108	108	110	110	113	109	99	89	88	91	91	
Economic sentiment index (EU Commission, Euro area)	112	112	111	111	110	110	108	106	106	105	104	105	103	102	103	101	100	101	101	103	103	94	65	68	76	82	88	
Exports (excl. oil & shipping, y-o-y, 6m mov.avg)	12,2	11,3	11,7	11,3	11,4	11,9	9,6	7,9	7,4	6,3	6,0	5,6	4,7	5,2	3,9	5,5	4,2	2,4	4,7	5,6	6,3	4,2	1,3	-1,9	-3,8	-6,0		
Imports (excl. oil & shipping, y-o-y, 6m mov.avg)	7,7	7,9	9,2	10,1	12,4	12,2	10,8	9,5	8,9	7,8	5,6	7,5	5,6	6,0	3,7	4,4	2,1	-0,5	0,7	0,5	1,4	-1,7	-4,4	-9,2	-9,9	-12,0		
SETE - Arrivals at major Greek airports (y-o-y)	14,6	9,6	8,3	10,2	7,8	29,0	23,9	10,4	17,8	-0,2	18,7	-0,2	2,0	1,4	4,4	1,3	5,7	18,5	7,8	8,3	2,5							
AIA - International passenger traffic development (y-o-y)	14,4	12,4	14,0	11,9	12,7	13,5	8,7	8,7	11,6	9,3	9,3	8,4	10,2	6,9	8,2	8,6	7,2	6,6	10,9	10,2	6,4	-62,0	-99,2	-98,4	-93,4	-76,1	-66,2	
Egani net flows (s.a. series, in thousands)	11,6	10,7	10,1	10,3	9,1	11,5	12,0	10,4	13,7	11,0	15,0	9,6	9,8	9,8	14,2	10,8	9,6	10,7	9,1	11,6	9,8	-75,5	-85,2	-65,2	9,5	94,2	20,3	
Estimation of total electricity demand in the network (y-o-y)	-0,1	-3,7	-5,3	2,2	0,7	-1,5	6,0	10,2	6,7	1,3	8,1	-1,3	6,0	3,4	10,0	0,7	-0,1	-6,8	-6,2	-3,2	-1,5	0,3	-6,9	-4,5	-13,1	-0,8		
VAT on other goods & services (y-o-y)	0,2	7,1	-7,4	67,8	-4,0	-4,0	-6,9	4,4	9,7	14,2	-10,5	23,2	-2,1	3,6	1,1	1,3	-0,8	1,8	1,7	-0,8	1,1	-23,7	9,1	-51,1	-17,1	-15,4		
Business Turnover (y-o-y, double-entry bookkeeping)	...	...	...	...	...	...	...	3,7	19,1	-1,0	12,1	5,4	-5,1	6,4	2,4	2,6	-2,2	-2,6	-0,6	9,3	-3,8	-11,2	-32,2	-27,1	-16,4	-17,5	



Sources: NBG, BoG, ELSTAT, Ministry of Finance, Ministry of Labor & Social Affairs, EU Commission, IHS Markit, IOBE, SETE, AIA, ADMIE

Google mobility indicators for Greece

	February		March				April				May				June				July				August				Sep.	
	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2
Retail and recreation (percentage change from baseline)	2	5	-1	-26	-64	-79	-75	-71	-76	-68	-57	-39	-35	-27	-15	-12	-9	-4	2	7	12	13	16	13	14	16	14	22
Grocery and pharmacy (percentage change from baseline)	1	15	-4	11	-4	-33	-23	0	-17	-2	-3	12	13	13	17	8	11	12	15	15	18	17	21	14	26	19	21	17
Transit stations (percentage change from baseline)	-1	5	-3	-22	-58	-77	-73	-67	-69	-60	-49	-33	-27	-24	-15	-17	-16	-13	-6	-7	-4	-2	-1	-5	-4	-5	-5	-5
Workplaces (percentage change from baseline)	2	3	-7	-15	-45	-60	-56	-52	-61	-47	-42	-27	-22	-15	-9	-13	-8	-9	-11	-11	-11	-14	-18	-28	-24	-19	-13	-18
Residential (percentage change from baseline)	0	-1	1	7	18	26	24	22	24	19	16	10	7	6	3	2	1	0	-1	-2	-3	-3	-3	-1	-2	-1	-1	0
Difference* from the baseline in per cent ▶▶▶▶	1	4	-4	-21	-56	-72	-68	-63	-69	-58	-49	-33	-28	-22	-13	-14	-11	-9	-5	-3	-1	-1	-1	-6	-5	-3	-1	0



*Aggregate indicator corresponds to the average of 3 main categories: retail & recreation, transit stations, and workplaces.

Sources: Google COVID-19 Community Mobility Reports, NBG estimates



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