

Euro Economics Weekly

Euro Area Recovery? Not Strong Enough

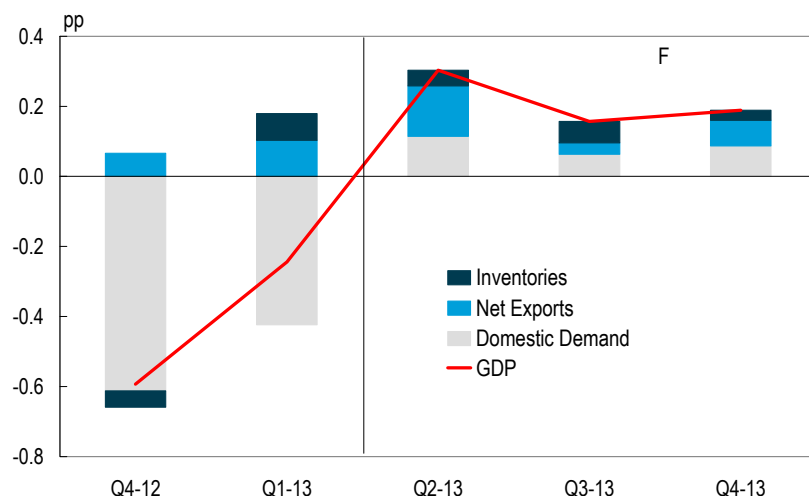
- The 0.3% QQ gain in Q2 euro area GDP released this week marked the end of a six-quarter recession. We argue that the main factors behind the economic improvement have been some rebound after a particularly weak, and partly weather-related, GDP outcome in Q4 12 and Q1 13, a rebound in exports to non-eurozone countries, and significantly less severe fiscal tightening than we had anticipated. Falling inflation has probably also boosted real incomes and private consumption.
- We reckon some of these supportive factors are likely to remain in place in H2 13. We have revised up our GDP growth forecasts for H2 13, to a QQ annualised rate of 0.6%, implying an overall contraction of eurozone GDP by 0.5% in 2013. However, we do not expect any meaningful acceleration in the pace of quarterly growth next year and expect GDP to expand on average by 0.6%. Significant headwinds remain against a more robust recovery, limiting the scope for unemployment to fall in the near-term and leaving private sector balance sheets and public finances in a precarious state.

Figure 1. Citi Market Forecasts

| | \$/€ | Euro Repo | 10-yr Bunds | £/€ | U.K. Bank Rate | 10-yr Gilt-Bund | SEK/€ | SEK Policy Rate | NOK/€ | NOK Policy Rate | SFr/€ | CHF Policy Rate | CHF Spread vs Bunds |
|-------|------|-----------|-------------|------|----------------|-----------------|-------|-----------------|-------|-----------------|-------|-----------------|---------------------|
| 4Q 13 | 1.29 | 0.25 | 1.50 | 0.88 | 0.50 | 76 | 8.87 | 1.00 | 7.94 | 1.50 | 1.25 | 0.00 | -70 |
| 2Q 14 | 1.29 | 0.25 | 1.50 | 0.88 | 0.50 | 91 | 8.82 | 1.00 | 7.86 | 1.50 | 1.26 | 0.00 | -73 |

Source: Citi Research

Figure 2. Euro Area GDP Growth (QQ) and Demand Contributions, Q4 12- Q1 13



Sources: Haver Analytics and Citi Research

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Euro Area Recovery? Not Strong Enough

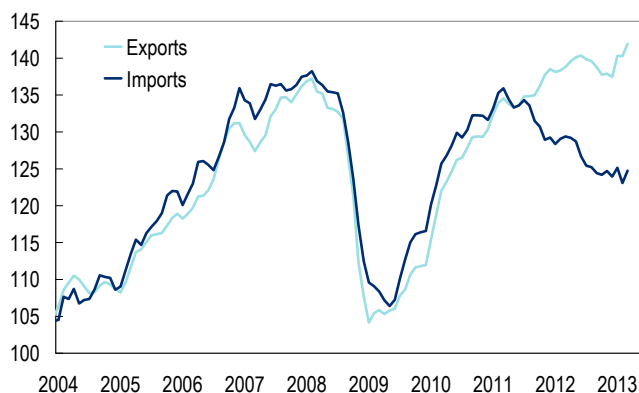
Euro area exited recessionary territory in Q2, but a decent and sustained recovery is unlikely

Euro area GDP rose by 0.3% QQ in Q2, according to Eurostat's flash estimate released this week, posting the first gain after six consecutive quarterly declines. Q2 results were slightly stronger than our original expectations¹. Survey-based indicators and some hard data suggest that euro area GDP growth is likely to remain in positive — but modestly positive — territory in H2 13. Probably there have been several factors behind the recent improvements in the euro area economy, but we think the main reasons have to be found in some snap-back after a weak weather-related GDP print in Q4 12 and Q1 13 (Q1 possibly also influenced by the early timing of Easter), a rebound in exports outside the eurozone and less fiscal tightening. We argue that some of these supportive factors are likely to remain in place in H2. Therefore, we have revised up our projected growth path for H2 13 — to an annualised rate of 0.6% QQ, although we do not expect any meaningful acceleration in 2014. We retain the view that structural impediments (eg, private deleveraging, further fiscal tightening, tight financing conditions) will be headwinds against a sustained economic recovery. Marginally positive GDP growth will not be enough, in our view, to fix the excessive debt problems in some euro area members and to absorb the large amount of spare capacity.

Hard data have started to improve lately, suggesting growth will remain positive in H2 as well

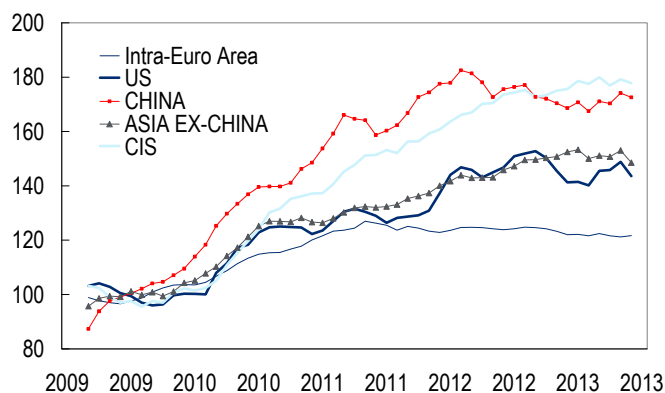
After the pickup in survey-based indicators since March/April, monthly hard data have also started to improve in the last couple of months. Industrial output was up by 0.7% MM in June, leading to a quarterly gain of 1.2% QQ in Q2 (biggest since Q4 10). A strong June IP reading also implies Q3 will also likely show another decent gain for the industrial sector. Exports of goods (to non euro area countries) have reaccelerated in May/June (to +2.2% 3M/3M in May for export volumes) offsetting weakness at the start of 2013 (see Figures 3 and 4). On the other hand, imports have remained quite subdued so far (-0.8% 3M/3M in May in volume terms), probably leading to a positive net export contribution to Q2 GDP QQ growth. Weak imports may also suggest that domestic demand is just stabilising rather than posting a strong rebound — as suggested by still fairly modest growth in retail spending in Q2 (+0.4% QQ, in line with Q1 result).

Figure 3. Euro Area Exports and Imports, Volumes (2009=100), 2004-May 13



Sources: Haver Analytics and Citi Research

Figure 4. Euro Area Exports by Destination (2009 = 100), 2009-May 13



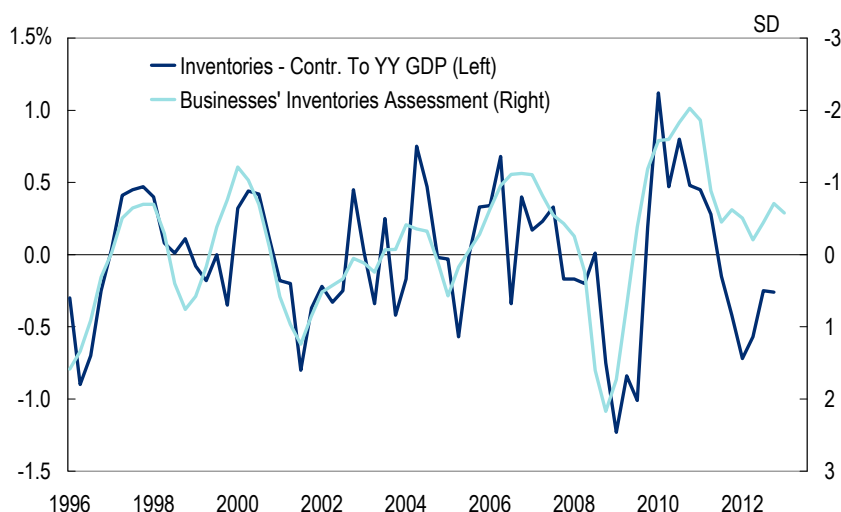
Sources: Haver Analytics and Citi Research

¹ In our [Global Economic Outlook and Strategy](#) publication in April 2013 we expected a flat quarterly reading for Q2 euro area GDP.

Calendar and weather effects, together with some re-stocking may explain the rebound in Q2

Part of the 0.3% QQ rise in Q2 GDP is explained by temporary factors. These are a snap-back in activity (especially construction output) after severe weather in Q1 and probably also the unusual timing of the Easter holiday (happening in March this year, whereas it normally occurs in April). These factors have probably depressed Q1 activity and boosted Q2. Moreover, some degree of re-stocking may have also contributed to temporarily lift activity in Q2, after inventories had been a negative drag on YY GDP growth for the previous six quarters. Admittedly, the inventory contribution to GDP growth also includes some statistical discrepancies between the supply and demand sides of GDP, and therefore it is not a very clean measure of the inventory cycle. But the EU Commission business survey (in its question on the stock levels) indicates that the stock of finished products remains somewhat below the desired levels at the euro area aggregate level, suggesting there could have been some room for re-stocking to take place in Q2 (see Figure 5).

Figure 5. Euro Area — Inventory Contribution to GDP and Businesses' Assessment of Stocks of Finished Product (St. dev. Around Long-term Mean), 1996-Jul 13



Sources: Haver Analytics, EU Commission and Citi Research

The fiscal stance is probably less restrictive than previously anticipated...

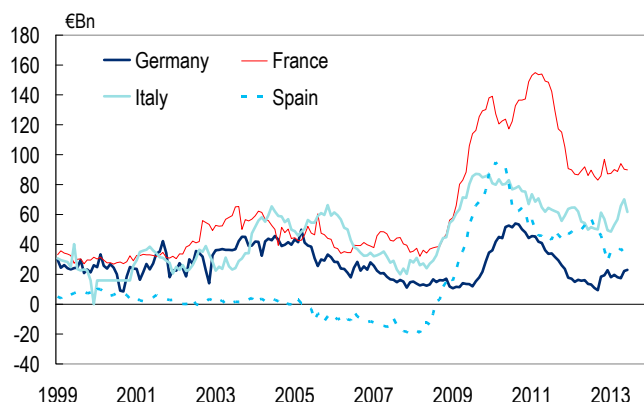
Aside from these temporary effects, a less severe fiscal stance than we had anticipated is probably supporting some stabilisation in domestic demand. It has long been known that the additional fiscal tightening in 2013 was going to be much smaller than in 2012. Aside from France, all other major euro area countries were expected to reduce the pace of fiscal adjustment this year relative to 2012. According to the EU Commission's May estimate, the overall euro area structural fiscal deficit narrowed by 1.4pp of GDP in 2012 but was projected to fall by "only" another 0.8pp of GDP in 2013. Yet, a fiscal tightening of 0.8pp of GDP would still have been a sizably negative shock on euro area GDP growth. Despite these budget plans, and probably because of significantly reduced market and political pressure for fiscal discipline, our analyses suggest that the actual fiscal stance in 2013 has been — and probably will continue to be in H2 — far less tight (perhaps half of the 0.8pp of GDP previously envisaged).

...as monthly budget data show most government deficits have stopped narrowing

High-frequency data to track the impact of the fiscal drag on the private economy are not ready available. But a fairly good proxy is the monthly dynamic of governments' cash-budgets (in most cases available only for central governments). Budget deficits have stopped narrowing across most euro area members since the end of 2012, and in some cases they have actually started to re-widen (see Figures 6 and 7). In some cases higher net borrowing will not entirely translate into wider,

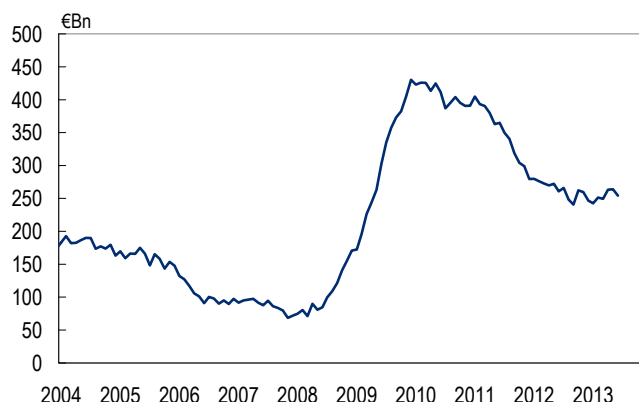
accrual-basis, general government deficits and they are not really reflective of a less tight (or looser) fiscal stance. For example, the widening in the cash deficit in H1 was partly explained by the disbursement for the EIB and ESM capital increases. In Portugal, the comparison with 2012 is somewhat misleading as last year's deficit benefited from some one-off revenues (due to different accounting treatments rather than due to an actually tighter fiscal stance). But generally speaking, the narrowing trend in fiscal deficits seems to have come to a halt since the end of last year, after a prolonged declining phase. To some extent, at least, this is likely translating into a smaller fiscal drag on the private sector.

Figure 6. Selected Euro Area Countries — Central Government Budget Cash Deficits (€bn, 12M Sum), 1999-Jun 13



Sources: Haver Analytics and Citi Research

Figure 7. Euro Area — Proxy for Central Government Budget Cash Deficit (€bn, 12M Sum), 2004-Jun 13



Note: Euro area central government data are obtained as a proxy by summing the data for Germany, France, Italy, Spain, Netherlands, Portugal, Greece and Ireland.
Sources: Haver Analytics and Citi Research

Q1 household disposable income less negatively affected by the fiscal drag

Quarterly data on the sector accounts — available up to Q1 — offer additional evidence than the pace of fiscal consolidation slowed at the start of 2013. We computed an aggregate measure of the net transfers from the household sector to the government by summing up the (net) taxes paid on wealth and income plus net social security contributions and government benefits received by households. Between Q3-11 and Q4-12 (the period of heightened fiscal tightening), this sub-component of disposable income subtracted on average around 1pp from the annual growth rate of households' disposable income, before its negative contribution dropped to only -0.3pp in Q1 13 (see Figure 8)².

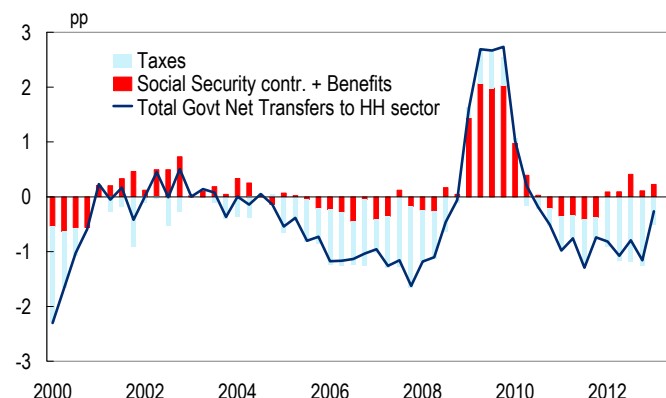
Falling inflation is also contributing to support real incomes more than in 2012

Q1 real disposable income was also supported by the drop in inflation, with the consumption deflator growth rate declining from 2.1% YY in 2012 to 1.3% YY in Q1 13, mainly driven by lower prices for mainly-imported energy products (see Figure 9). So, while the dynamic of the other main components of disposable income (labour income, mixed income and property income) remained roughly unchanged, and still very feeble, a reduced fiscal drag and a fall in inflation contributed to a pick-up in real incomes in Q1. These positive effects probably became bigger in Q2, as inflation fell further (the HICP YY rate declined from an average of 1.8% YY in Q1 to 1.4% YY in Q2) and net transfers to government likely continued to improve relative to last year. Therefore, improvements (albeit still modest) in real disposable incomes likely propelled the first gain in euro area private consumption (by 0.2%

² Obviously this is not an exhaustive measure of the impact of fiscal policy on households' real income, which should also include for example changes in public sector headcount/wages (whose effect is encompassed in the labour income component). The impact of changes in indirect taxes on real incomes is captured by the change in the inflation rate (resulting from the tax changes).

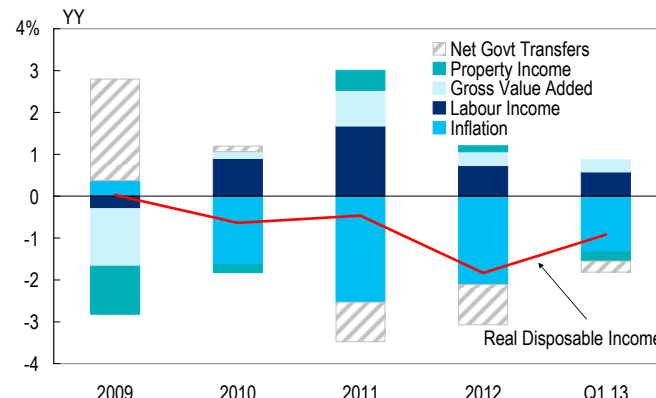
QQ in Q2, according to our estimate) of the past two years (the real income gain in Q1 was entirely offset by a rise in the saving rate which left consumption unchanged on the quarter).

Figure 8. Euro Area — Government's Net Transfers to Households — Contribution to Disposable Income YY Growth, 2000- Q1 13



Sources: Haver Analytics and Citi Research

Figure 9. Euro Area — Household Real Disposable (YY) and Its Contributions, 2009- Q1 13



Sources: Haver Analytics and Citi Research

Private consumption likely to post marginally positive growth rates in H2, exports to continue recovering

Although labour and non-labour income growth are expected to remain very subdued, we estimate that a marginally less negative dynamic for overall households' real income is likely to continue in the next couple of quarters, as inflation is expected to remain at current low levels, or even fall slightly, and we do not see any pressure for governments to change significantly the fiscal lever³. Barring a major shift in the saving rate, this should contribute to keep private consumption growth in positive territory in H2 13 and in 2014. Furthermore, after the export slowdown observed around the turn of the year, recent data suggest sales to foreign markets have recovered in Q2 and they are likely to continue on this path in coming months. As we argued last week, the prospects for euro area exports are likely to remain intact even in case of a deceleration in China, as the US recovery would likely offset it. We expect euro area exports to reaccelerate to an annual growth rate of around 2.6-2.8% in H2 13 and in 2014 (after rebounding by around 6% QQ annualised in Q2, based on our calculations). On the other hand, the recent still weak dynamic of imports suggest some re-acceleration is likely in H2, limiting the positive contribution of net exports to GDP growth.

GDP growth revised higher ...

Taking into account the better-than-expected Q2 GDP reading and a slightly higher path for domestic demand in H2, we have revised up our euro area GDP forecasts to -0.5% in 2013 (from -0.7%) and to +0.5% in 2014 (from +0.2%).

...but probably not high enough to fix euro area high unemployment and high debt problems

However, while allowing the euro area to technically exit recession, these growth rates are well short from what can be called a decent recovery. GDP growth at around 0.5% per annum is probably below (or just about in line with) potential growth and hence not strong enough to reduce the ample output gap, to bring down the unemployment rate and, most importantly, to lower public and private debt ratios. Real GDP remains 3% below the pre-crisis peak in Q1-08. Moreover, the nominal GDP dynamics remain subdued — because the economic rebalancing of peripheral euro area countries is starting to show up in much lower, or negative,

³ In Italy, for example, the payments of government debt arrears (for an originally planned 2.5% of GDP, but recently lifted by the approval of additional €20, or 1.3% of GDP, in 2014) are likely to provide some support to business investment in the final quarter of 2013 and H1 14.

price and wage dynamics. This makes the public and private debt ratios even higher and more difficult to be paid back. We think that widespread private deleveraging, limited credit availability, financing conditions not really supportive of economic expansion and additional fiscal tightening to come (as we noted earlier fiscal deficits have stopped coming down) still constitute major headwinds on euro area GDP growth at least for the next couple of years. In addition, political risks remain elevated in several countries, with the potential to destabilise the economic recovery after the German elections are over.

Key Economic Indicators (19 August – 23 August 2013)

| Monday 19 August | | Forecast | Last |
|---------------------|---|-------------------------------|---------------------------------|
| | Greece: Current Account, Jun | | |
| Tuesday 20 August | | Forecast | Last |
| 07:00 | Germany: Producer Prices, Jul | 0.2% MM, 0.8% YY | 0.0% MM, 0.6% YY |
| 08:30 | Netherlands: Consumer Confidence, Aug | | |
| 09:00 | Norway: Mainland GDP, 2Q | 0.5% QQ | 0.7% QQ |
| 10:00 | Euro Area: Construction Output, Jun | | |
| 11:00 | Ireland: Residential Property Prices, Jul | | |
| 14:00 | Belgium: Consumer Confidence, Aug | | |
| Wednesday 21 August | | Forecast | Last |
| 09:30 | UK: Public Sector Net Borrowing – PSNB ex, Jul | £-1.6 Billion Surplus | Year Ago: £-1.6 Billion Surplus |
| | Fiscal Year To Date, Apr-Jul | £22.7 Billion Deficit | £7.0 Billion Deficit |
| 11:00 | UK: CBI Industrial Trends Survey – Output Expectations, Aug | +17% | +15% |
| | CBI Order Books, Aug | -10% | -12% |
| | CBI Selling Prices, Aug | +2% | +2% |
| Thursday 22 August | | Forecast | Last |
| 07:00 | Switzerland: Trade Balance, Jul | | |
| 08:30 | Sweden: LFS Unemployment Rate, Jul | 7.7% NSA, 8.0% SA | 9.1% NSA, 8.0% SA |
| 08:30 | Netherlands: Consumer Spending, Jun | | |
| 09:00 | Euro Area: Manufacturing PMI, Aug Flash | 50.6 | 50.2 |
| | Services PMI, Aug Flash | 50.1 | 49.8 |
| | Composite PMI, Aug Flash | 50.8 | 50.5 |
| Friday 23 August | | Forecast | Last |
| 07:00 | Germany: GDP Details, 2Q | 0.7% QQ, 0.5% YY | 0.0% QQ, -0.3% YY |
| 07:00 | Germany: Deficit, Jan-Jun (Maastricht Basis) | | |
| 09:30 | UK: GDP (2 nd Release), 2Q | Provisional: 0.6% QQ, 1.4% YY | 1Q: 0.3% QQ, 0.3% YY |
| 09:30 | UK: Services Output, Jun | 0.4% MM, 3.1% YY | 0.2% MM, 1.5% YY |
| 09:30 | UK: BBA Mortgage Advances for House Purchase, Jul | | |
| 14:00 | Belgium: Business Confidence, Aug | | |
| 15:00 | Euro Area: Consumer Confidence, Aug Flash | -15.5 | -17.4 |

Sources: National statistical offices, central banks and Citi Research

Economic Indicators

Euro Area

| | | | |
|-------------|-------------------------------------|-----------------------|--------------------|
| Aug 22 | Manufacturing PMI, Aug Flash | Forecast: 50.6 | Prior: 50.2 |
| 09:00 | Services PMI, Aug Flash | Forecast: 50.1 | Prior: 49.8 |
| London Time | Composite PMI, Aug Flash | Forecast: 50.8 | Prior: 50.5 |

Both manufacturing and services PMIs are likely to tick higher again in August, posting the fourth and fifth consecutive monthly gain, respectively. The positive momentum in these survey-based activity indicators likely is still intact, although the pace of increase is likely to slow relative to recent months. Composite PMI at 50.8 would set it at its highest level since July 2011. Historically this level has been consistent with just above 0.2% QQ growth rates.

| | | | |
|--------|---------------------------------|------------------------|---------------------|
| Aug 23 | Consumer Confidence, Aug | Forecast: -15.5 | Prior: -17.4 |
| 15:00 | | | |

After a strong rebound in consumer sentiment in June (partly driven by a methodological change in the Italian series), consumer sentiment continued to trend slightly higher in July and we expect a similar trend continued in August. Inflation is easing, supporting real disposable income, and fiscal austerity is becoming less severe. Confidence is recovering from exceptionally low levels and the level of the index remains below its long-run average (by around 0.6 standard deviations) suggesting little support for a strong pick-up in private consumption.

Germany

| | | | |
|--------|----------------------------------|-----------------------------------|--------------------------------|
| Aug 20 | Producer Price Index, Jul | Forecast: 0.2% MM, 0.8% YY | Prior: 0.0% MM, 0.6% YY |
| 07:00 | | | |

The strong euro continues to keep price pressures capped, and import prices have in fact fallen recently. As a result, despite continuing robust pay increases, we expect only a very modest rise in producer prices in July in Germany.

| | | | |
|--------|----------------|-----------------------------------|---------------------------------|
| Aug 23 | GDP, 2Q | Forecast: 0.7% QQ, 0.5% YY | Prior: 0.0% QQ, -0.3% YY |
| 07:00 | | | |

We expect the second reading of German GDP growth in 2Q to confirm the flash growth reading of +0.7% QQ. Most of the growth is likely to have been driven by domestic demand. Private consumption is likely to have continued to grow at a robust clip, but in 2Q construction investment probably rebounded after two very weak weather-related quarterly decreases and business investment may have grown for the first time in six quarters.

Sweden

| | | | |
|--------|---|-----------------------|--------------------|
| Aug 22 | LFS Unemployment Rate, Jul (NSA) | Forecast: 7.7% | Prior: 9.1% |
| 08:30 | LFS Unemployment Rate, Jul (SA) | Forecast: 8.0% | Prior: 8.0% |

In line with the uneven seasonal pattern for unemployment during the summer – spikes common – the LFS jobless rate jumped rather markedly in June (actual: 9.1% vs. 8.2% in May, seasonally-adjusted: 8.0% vs. 7.9% in May). Unemployment (in seasonally-adjusted terms) remains slightly below the Riksbank's forecast (8.2% in 2Q and 3Q), but the seasonal pattern can vary during the summer months and the trend still seems to be sideways. Employment is still rising slightly (YY employment change +27.1K, previous: +51.3K), and short-term indicators suggest that this trend will continue in the near-term.

Norway

| | | | |
|--------|-------------------------|--------------------------|-----------------------|
| Aug 20 | Mainland GDP, 2Q | Forecast: 0.5% QQ | Prior: 0.7% QQ |
| 9:00 | | | |

Although manufacturing production posted a notable upside surprise in 2Q (strongest in five years) and oil plus gas extraction rebounded sharply in the second quarter, demand-side indicators released thus far suggest that momentum in mainland GDP, i.e. excluding oil, gas and shipping, slowed in 2Q.

United Kingdom

| | | |
|--------|--|---|
| Aug 21 | Public Sector Net Borrowing, Jul | Forecast: £-1.6 Billion Surplus, £22.7 Billion Deficit Fiscal Year To Date |
| 09:30 | (Figures Exclude Costs of Financial Intervention) | Year Ago: £-1.6 Billion Surplus, £7.0 Billion Deficit Fiscal Year To Date |

The underlying path of the fiscal deficit has been roughly stable in recent months, excluding various one-off transfers, and we do not expect much change either way in coming months in this roughly flat underlying trend.

| | | | |
|-------------|---|-----------------------|--------------------|
| Aug 21 | CBI Industrial Trends Survey, Aug | | |
| 11:00 | Monthly Output Expectations Net Balance, Aug | Forecast: +17% | Prior: +15% |
| London Time | Monthly Order Books Net Balance, Aug | Forecast: -10% | Prior: -12% |
| | Monthly Selling Prices Net Balance, Aug | Forecast: +2% | Prior: +2% |

This survey has shown markedly better output expectations for the past five months, and improving order books in the past three months. We expect a slight further improvement this month, but with price expectations staying weak.

| | | | |
|--------|---|--------------------------------------|--------------------------------|
| Aug 23 | GDP, 2Q (2nd Release) | Provisional: 0.6% QQ, 1.4% YY | Prior: 0.3% QQ, 0.3% YY |
| 09:30 | | | |

We do not expect any revisions to the overall GDP data. The split is likely to show solid growth in consumer spending (about 0.6% QQ), with weakness in investment but support from inventories and net trade. Early signs suggest that the economy continued to expand at a steady pace in 3Q.

| | | | |
|--------|-----------------------------------|-----------------------------------|--------------------------------|
| Aug 23 | Service Sector Output, Jun | Forecast: 0.4% MM, 3.1% YY | Prior: 0.2% MM, 1.5% YY |
| 09:30 | | | |

Surveys point to continued service sector expansion, and base effects from the Queen's Jubilee a year ago probably will cause the YY rate to jump sharply in June. A figure in line with our forecast would leave 2Q output up by 0.8% QQ, the strongest gain since 3Q-2012 (when the Olympics boost helped generate a 1.0% QQ gain in output).

Sources: National Statistical Offices, National Central Banks, Bloomberg, and Citi Research forecasts.

Key Economic Indicators (26 August – 30 August 2013)

| During The Week | | Forecast | Last |
|---------------------|--|----------|----------|
| 07:00 | Germany: Retail Sales, Jul (by Aug 30) | | |
| 07:00 | Germany: Import Prices, Jul (by Aug 30) | | |
| 07:00 | UK: Nationwide House Prices, Aug | | |
| Monday 26 August | | Forecast | Last |
| 08:00 | Spain: Producer Prices, Jul | | |
| 08:30 | Sweden: Producer & Import Prices, Jul | | |
| | UK: Bank Holiday | | |
| Tuesday 27 August | | Forecast | Last |
| 08:30 | Sweden: Household Lending, Jul | 4.7% YY | 4.7% YY |
| 08:30 | Netherlands: Producer Confidence, Aug | | |
| 09:00 | Germany: ifo Business Climate, Aug | | |
| 17:00 | France: Jobless Change, Jul | | |
| Wednesday 28 August | | Forecast | Last |
| 07:00 | Germany: GfK Consumer Confidence, Sep | | |
| 08:00 | Sweden: Consumer Confidence, Aug | 100.5 | 100.3 |
| 08:00 | Sweden: Manufacturing Confidence, Aug | 95.2 | 93.8 |
| 09:00 | Italy: Retail Sales, Jun | | |
| 09:00 | Euro Area: M3, Jul | | |
| 11:00 | UK: CBI Reported Sales, Aug | | |
| c. 12:00 | UK: Mark Carney gives first on-the-record speech as Bank of England Governor – Derby & Nottinghamshire Chamber of Commerce, Nottingham | | |
| Thursday 29 August | | Forecast | Last |
| | Germany: Consumer Prices, Aug Preliminary | | |
| 07:45 | France: Industrial Confidence, Aug | | |
| 07:45 | France: Survey on Investment in Industry, Jul | | |
| 08:00 | Spain: GDP Details, 2Q | | |
| 08:00 | Spain: HICP Flash Estimate, Aug | | |
| 08:15 | Switzerland: Unemployment, 2Q | | |
| 08:15 | Switzerland: National Accounts, 2012 | | |
| 08:30 | Sweden: Retail Sales, Jul | 0.2% MM | 0.6% MM |
| 08:55 | Germany: Unemployment, Aug | | |
| 09:00 | Italy: Consumer Confidence, Aug | | |
| 10:00 | Italy: Industrial Confidence, Aug | | |
| 10:00 | Italy: Contractual Wages, Jul | | |
| Friday 30 August | | Forecast | Last |
| 00:01 | UK: GfK Consumer Confidence, Aug | | |
| 08:00 | Switzerland: KOF Economic Barometer, Aug | | |
| 08:00 | Spain: Retail Sales, Jul | | |
| 09:00 | Norway: Retail Sales, Jul | 0.3% MM | -0.2% MM |
| 09:00 | Norway: LFS Unemployment Rate, Jun | 3.5% | 3.4% |
| 09:00 | Norway: Registered Unemployment Rate, Aug | 2.7% | 2.8% |
| 09:00 | Italy: Unemployment, Jul | | |
| 09:30 | UK: Personal Borrowing, Jul | | |
| 09:30 | Slovenia: GDP, 2Q | | |
| 10:00 | Italy: HICP Flash Estimate, Aug | | |
| 10:00 | Euro Area: Unemployment, Jul | | |
| 10:00 | Euro Area: HICP Flash Estimate, Aug | | |
| 10:00 | Euro Area: Business & Consumer Surveys, Aug | | |
| 11:00 | Italy: Producer Prices, Jul | | |
| | Spain: Current Account, Jun | | |
| | Greece: Retail Sales, Jun | | |

Sources: National statistical offices, central banks and Citi Research

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