



European Periphery Macro Daily

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Macro Update

Today

- **Spain general government debt (September).** Spain's general government debt stood at EUR1.16trn in August in absolute nominal terms, representing a 2.9% YoY increase over the same period in 2017.
- **Italy final inflation (October).** We recall that flash headline reached 1.6% YoY (0.2pp above figure printed in September) and core inflation reached 0.7% YoY in September.
- **Italy trade balance (September).** We recall that Italy's trade surplus reached EUR2.6bn in August (vs. a EUR2.7bn surplus in August 2017).
- **EMU final inflation (October).** As a reference, flash headline was 2.2% YoY in October, 0.1pp above figure reported in September, and core inflation reached 0.9% YoY in September.

Yesterday

- **Brexit.** Brexit turned very sour yesterday as the deal clinched with the EU some days ago caused a backlash not only amongst the opposition parties but also and more importantly within the ranks of the Conservatives when PM Teresa May presented the deal to Parliament. The day resulted in four ministerial resignations (including Dominic Raab, Brexit Secretary) and some Brexiters calling for a no-confidence vote on May's leadership led by Jacob Rees-Mogg, the leading eurosceptic within the Conservative party (this vote could reportedly take place as soon as next week but to trigger it, at least 48 letters must have been sent to the 1922 Committee proposing such a move). Despite the weak position all this leaves May in, she has vowed to pursue her intention to push the proposed draft Brexit deal through Parliament. According to the media, voting on the Brexit deal may be tricky, as it will be a matter of deciding on the approval or rejection of the deal as a whole (a yes-or-no vote) but does not contemplate the possibility of introducing amendments. Should the deal be rejected, there would have to be another round of design, debate and vote of a new "amended" document. All in all, it looks fairly likely that the preparatory period before the draft is put to the vote may still take weeks.
- **Italy general government debt (September).** Italy's general government debt reached EUR2.33trn in nominal absolute terms in September, slightly above the August figure (EUR2.32trn), and 1.7% up in YoY terms (as in the previous month). We recall that public debt stood at 134.6% of GDP in 2Q18 (from 133.5% of GDP in 1Q18).

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