

GLOBAL & REGIONAL DAILY

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Global markets

US Treasuries retained a positive tone ahead of today's November non-farm payrolls report, with yields hovering close to yesterday's new lows, hit after the disappointing November ISM manufacturing survey. The headline fell by 1.2ppts to 49.0, amid weakening global goods demand, moving into contraction territory for the first time since May 2020, while a number of key subcomponents, including new orders, production and employment, weakened relative to October, and prices paid dropped to the lowest level in nearly 2 ½ years. Providing further support to hopes that US inflation pressures are easing, PCE inflation data for October came in slightly below expectations. In a similar pattern, German Bunds extended recent gains yesterday, also supported by a modest downward revision of 0.2ppt in Eurozone November manufacturing PMI to 47.1, before moving slightly lower earlier today. Pressured by lower UST yields and weak US data, the USD extended post-Powell losses, with the EUR/USD moving above 1.05 for the first time since June.

Greece

According to the S&P Global, the seasonally adjusted PMI manufacturing index increased marginally from 48.1 points in October 2022 to 48.4 points in November 2022, marking the fifth month in a row with a reading below the 50 points threshold (48.8 points on average) indicating a persistent worsening of the operating conditions in the manufacturing sector. The last time the PMI manufacturing index had a similar performance in qualitatively terms, was between April 2020 and August 2020, posting on average a value of 43.6 points. In what concerns the five sub-indices of the November 2022 PMI manufacturing survey, output dropped for a sixth month in a row, albeit at a lower rate compared to October 2022, new orders decreased steeply, and employment fell for a fourth consecutive month. On a positive tone, cost pressures decelerated, and business confidence improved.

CESEE

According to the final estimate for Q3 2022 released yesterday, the strong growth momentum in Cyprus eased somewhat compared to H1 2022, as output expanded by 5.4%YoY, after an increase by 6.3%YoY in Q2 2022 and 6.6%YoY in Q1 2022. However, on a quarterly basis, GDP expansion accelerated to 1.3%QoQ, from 0.3% in Q2 2022. Growth came for another quarter mainly from an increase in exports (+11.5%YoY), especially of services (+12.6%YoY). Nonetheless, the external balance deteriorated on a yearly basis in Q3 2022, posting a small deficit of €9.8mn, instead of a surplus of €298mn a year ago, as imports expanded by 22.9%YoY. The pick-up of investment activity (+42.4%YoY) was the second most contributing factor to growth in Q3 2022. Despite soaring inflation, household consumption widened by 6.9%YoY, slightly less than in H1 2022 (+7.8%YoY) and public consumption increased further (+2.6%YoY in Q3 against +0.4%YoY in H1). The YtD GDP increase stands at 6.1%YoY.

Contributing Authors:

Paraskevi Petropoulou
Senior Economist
ppetropoulou@eurobank.gr

Dr. Stylianos Gogos
Economic Analyst
sgogos@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. 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
Economic Analyst
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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