

GLOBAL & REGIONAL DAILY

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Global markets

Investors' risk appetite showed no sign of abating on market perception that major central banks might soon pivot to a less hawkish stance, after a lower-than-expected 25bps rate hike by the RBA and the disappointing US ISM manufacturing survey earlier this week. The positive mood was further boosted after US data yesterday showed a near 2 ½ year high decline of 1.0mn in the August job openings, to 10.1mn, the lowest level since June 2021, suggesting that the labor market may be slightly cooling. Meanwhile, raising hopes that Eurozone inflation pressures could be easing, European natural gas prices moved further lower yesterday, with futures briefly dropping below €160 per MWh for the first time since late July on weather forecasts suggesting that temperatures will likely be higher than average over the next couple of weeks in Europe. Amid improved risk appetite, the USD extended recent losses, with the EUR/USD recovering close to parity, ahead of today's US ISM services survey and the ADP employment report, both for September.

Greece

The weighted average interest rate on new loans increased by 29bps MoM in Aug-22, climbing to 4.00%, driven by rate increases in all loan categories (households: +14bps; NFCs: +41bps; farmers, freelancers and sole proprietors: +35bps). As the average interest rate on new deposits remained at 0.04%, the spread widened to 396bps from 367bps in Jul-22, yet still below its Aug-21 level (409bps). The average interest rate on existing loans increased to 3.64% (+8bps MoM). New loan disbursements to the non-financial private sector amounted to €0.79bn in Aug-22, bringing total disbursements in the period from Jan-22 to Aug-22 to €14.1bn, a 95.5% increase compared to the respective period in 2021. This increase was primarily driven by new loans to NFCs (€12.6bn YtD). Gross credit expansion to households has remained at modest levels (€0.15bn in Aug-22, €1.5bn YtD), despite increasing by 24.7% compared to the first 8 months of 2021.

CESEE

The current account deficit in Cyprus widened to €1.04 bn in Q2 2022, from a deficit of €445.3mn in Q2 2021 and €809.9mn in Q1 2022. The deterioration on an annual basis came from the increase of the deficits in the balances of goods (+75% YoY, to €1.92 bn) and of primary incomes (+29.2% YoY, to €448.3 mn). The latter two deficits were partially offset by the increased surplus in the balance of services (+24.8%, to €1.38 bn) and the shrinkage of the secondary income deficit (-47.9%, to -€43.7 mn). The improvement in the services surplus came on the back of higher travelling (+179.3%, to €452.1 mn) and Telecommunications, IT and information services surpluses (+143.4%, to €335.0 mn).

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