

GLOBAL & REGIONAL DAILY

October 6, 2022

Global markets

The ISM services index surprised to the upside in September dropping by a lower than expected 0.2ppts to 56.7, remaining comfortably into expansionary territory. Boding well for Friday's US non-farm payrolls report, the employment sub-component rose for the second consecutive month coming in at 53.0, the highest level in six months, while the ADP employment report revealed that 208,000 new jobs were added in the private sector in September, slightly higher than expected. In reaction, the DXY USD index strengthened, briefly testing levels above 111.00, and sovereign bonds in both sides of the Atlantic sold off, reversing course after a two-day rally, as solid US data releases are seen as providing the Fed more space to keep hiking rates over the coming months. Meanwhile, oil prices rose on news that OPEC+ agreed at its meeting yesterday an output cut of 2mn bpd from November, its biggest production cut since 2020, as it tries to stabilize oil prices while the global economy is slowing.

Greece

Natural population growth remained on a negative territory for a tenth consecutive year in 2021, registering a new record low (-58,573 persons), according to provisional ELSTAT data. The slight increase in live births (+0.7%YoY) was more than offset by a much larger increase in deaths (+9.8%YoY), with Southern Aegean being the only one out the country's 13 regions to post a positive balance. Moreover, the mother's mean age at birth exceeded 32 years for the first time in record. On the debt front, PDMA raised €812.5mn through a 13-week T-bills auction yesterday, with the yield settling at 1.35%, up from 0.45% in a similar auction two months ago. Following net sales of Greek Government Bonds (GGBs) close to €0.9bn in the past two months, ECB's holdings of GGBs under its Pandemic Emergency Purchasing Programme (PEPP) stood at €38.9bn at the end of Sep-22, registering the first bimonthly decline since PEPP's onset in Mar-20.

CESEE

The central government budget in Serbia posted in Aug-22 a deficit of RSD 0.7bn, against a deficit of RSD 31.2bn a year ago. The primary budget balance was positive by RSD 7.3bn, against a deficit of RSD 25.1bn a year earlier. The improvement on an annual basis in the latter balance came mainly from cuts in primary expenditure by RSD 23.7bn (-17.5%YoY). Revenues also contributed to the primary surplus, as they were higher by RSD 8.7bn (+7.8%YoY). In the Jan-Aug-22 period the central government budget posted a surplus of RSD 0.5bn, compared to a deficit of RSD 70.8bn in the same period of 2021. The general government budget reported in Aug-22 a monthly surplus of RSD 8.5bn and a YtD surplus of RSD 27.5bn, with the latter outcome signifying that the full-year deficit target of 3% of GDP (RSD 199.2bn) is achievable.

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