

# GLOBAL & REGIONAL DAILY

September 7, 2022

## Global markets

The US ISM services unexpectedly rose by 0.2ppts in August, the second consecutive monthly increase, coming in at a four-month high of 56.9 and adding to recent data that point to an improving US growth outlook. Against this background, US Treasury yields moved higher across the curve amid increased expectations of a 75bps rate hike at the 20-21 September FOMC policy meeting, while European government bonds also remained under pressure on market talk that a rate hike of either 50bps or 75bps is still in play for Thursday's ECB policy meeting. Gilts also weakened amid expectations of a sizable fiscal package to tackle the cost-of-living crisis after Liz Truss was appointed as the new UK PM. Higher UST yields helped the USD move further up across the board, hitting a fresh 24-year high above 144.00 against the JPY amid a further widening of yield differentials and the EUR/USD briefly marked a new year-to-date low at 0.9875 before regaining the 0.99 level earlier today.

## Greece

According to the General Government (GG) data, the total GG arrears to the private sector in July 2022 stood at €2.07 bn, marking a monthly decrease of -0.8% (and a year-to-date increase of 26.43%). All major categories of GG arrears declined with the exception of Central Government Extrabudgetary Funds, Hospitals and local government which increased on a monthly basis. The decrease of the arrears is among the main prerequisites for the final disbursement of the enhanced surveillance framework. In other news, according to the Public Debt Management Agency, today the Hellenic Republic will auction 52 Weeks T-Bills of a total amount of €625mn.

## CESEE

The central government budget in Serbia registered a surplus of RSD 36.8bn in July, compared to a surplus of RSD 35.9bn a year ago. In the January-July period the central government budget print was positive, by RSD 1.2bn, against a deficit of RSD 39.6bn in the same period of 2021 and a 3% of GDP (RSD 200.2bn) deficit target for 2022. Furthermore, the central government debt stood at 53.5% of GDP by end-July, down from 56.5% of GDP at end-December 2021. On the back of these figures, the Ministry of Finance attempted yesterday to raise RSD 10bn by issuing 10-year bonds. Bids amounted to RSD 6.1bn and eventually RSD 5.1bn were raised, at an average yield of 6.8%, up from the yield of 6.7% achieved at the identical previous issuance in June.

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