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Global markets

With investors awaiting today's non-farm payrolls report for September, US data yesterday showed that initial jobless claims rose by a higher-than-expected 29k to 219k in the week ending October 1 and continuing claims increased from 1.346mn to 1.361mn in the prior week. In spite of their latest uptick, both readings remained at very low levels by historical standards, suggesting that, aside some nascent signs of cooling, labor market conditions remain robust. In reaction, UST yields moved slightly higher across the curve, before later making a sharper move up, following further hawkish comments by several FOMC officials which pushed back recent market speculation that major Central Banks might soon pivot to a less hawkish stance. Meanwhile, most of Asian bourses ended lower today, pressured by hawkish Fed rhetoric, while the DXY USD index strengthened further, breaking above 112.00. The JPY was also among major outperformers amid market concerns of further FX intervention by the Japanese Ministry of Finance.

Greece

Speaking at the conference "Greece After VI: National strategy and international spin", the president of the Greek Tourism Confederation (SETE) Mr. Yiannis Retsos, stated that tourist revenues are expected to reach €18.9-€19.0 bn in 2022 from €10.5, €4.3 and €18.2 bn in 2021, 2020 and 2019 respectively. He also noted that Greece is among the five most important tourist brands in the world. However, he expressed concerns about the economic developments in the coming year. According to the BoG, the January-July 2022 tourist receipts stood at 97.1% of the respective level in 2019 (100.5% in July 2022), increasing the probability of a record-high year in the tourist sector. Given the negative trade shock due to increased energy prices, the high dependence of the Greek economy on imports and the increase of the nominal interest rates, a strong rebound of tourism is an important condition for the already high current account deficit (5.9% of GDP in 2021 from 6.6% in 2020 and 1.5% in 2019) to remain manageable, at least in the short-term period.

CESEE

The National Bank of Serbia (NBS) raised yesterday the key policy rate by another 50bps bringing it to 4.0% amid rising inflation, which to a great extent remains imported. Since the commencement of the monetary policy tightening cycle in April, the NBS has delivered a cumulative 300bps of rate hike in an effort to contain the impact of demand-side factors on the level of prices and the second-round effects of rising food and energy prices through inflation expectations. The Bank anticipates inflation to peak in September before starts easing thereafter. Recent data support the said view with September's PPI inching down by a tad to 16.9% YoY from 17.0% YoY in August. However, headline CPI (13.2% YoY) and the core print (7.9% YoY) kept accelerating up to August supporting yesterday's NBS decision.

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